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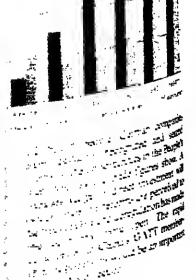
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Weekend Section 2



The changing face of air travel



Haunted by the ghosts of America's past



Arts: another blow for Broadway



True father of The Terror

UN and

Nato fail

to prevent

Serb push

into Bihac

Serb fighters and their allies in a

renegade Moslem force said they

had advanced further into the

town of Bihac last night, despite

intensive mediation efforts by the United Nations and apparent

First accounts conflicted on

whether Nato aircraft had struck

at targets or had merely buzzed

Serb positions in the area. Offi-

cials of the western alliance in

Brussels declined immediately to

confirm that any operation had

The advance by Bosnian Serb

ground forces into the poorly

defended town centre, which is

supposedly protected by UN reso-

lutions, was reported by the Bel-

grade news agency Tanjug. Gen-

eral Manojlo Milanovic, the

Bosnian Serb chief of staff, demanded that the government

army in Bihac surrender by this

evening, warning: "If you don't

fresh air action by Nato.

taken place.

By Laura Silber in Belgrade

FINANCIAL TIMES

Europe's Business Newspaper

Akio Morita, one of

Japan's most highly

regarded businessmen

resigned as chairman of

Sony yesterday on health

grounds. Mr Morita, 73,

chairman of the company

Masaru Ibuka. While Mr

Ihuka was the engineer-

ing genius. Mr Morita is

will become honorary

he co-founded with

Lira at record low

The Italian lira hit a record low against the D-Mark yesterday amid worries that the government had made concessions to trade unions to avert a strike.

The market was also nervous about the plight of

embattled prime minister Silvio Berlusconi, who

about alleged corruption while he ran his Fininvest

faces interrogation - probably this weekend -

Sony's Moritz steps down as chairman:

Sony into an international operation with annua

Bock's Advanta sells hotel chain: Lourho

chief executive Dieter Bock's company Advanta

the German hotel chain, to Thai hotel company

his outside interest, Page 13

operation. Page 12

deficit. Page 2

FT-8E 100 Index

3,000 21 Nov94 25

were promised. Page 28

Bart & Walleco Bristol Evening British Gas Cleveland Trust

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Companies in this issue

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in the Gdansk shipyard.

Management sold its majority stake in Kempinski,

Dusit Sindhorn. Mr Bock had promised to dispose of

Volkswagen shares dropped in Frankfurt as the

company unveiled plans to slash capital investment

Rwandan refugees killed: Zairean troops killed

and reports started circulating about an internal

profits forecast. Page 13; World stocks, Page 15

at least eight Rwandan refugees, including four

children, when they opened fire at a camp north

biggest water group, is linking up with Bechtel of

the US to develop worldwide water and waste-water operations and create a substantial North American

Two die in concert fire: Polish police believe arsonists may have started a fire which killed two and injured more than 200 people at a rock concert

Iberia strike pressure mounts: Workers at

strikes next week unless management withdraws

chancellor-designate Franz Vrantzky unveiled a

third successive coalition government between his

the accord would lead to a sharp drop in the budget

Social Democrats and the People's Party and said

Polis point to Delors: European commission

president Jacques Delors leads conservative pre-

in the French presidential race, according to the

Hong Kong Inflation eases: Hong Kong is

second opinion poll this week to put Delors ahead.

expecting its lowest annual inflation rate since 1968.

The government reduced its inflation forecast from

8.5 per cent to 8 per cent, leaving predicted eco-nomic expansion unchanged at 5.7 per cent. Page 3

almost 100 points on the week. Page 25; Lex, Page 28

Four favour privatisation: Only 60 of the 15,400

tion paper on the Post Office favoured privatisation.

lvory and Sime, the Scottish fund manager, plans

to reorganise its flagship investment trust, British

Asset Trust, whose income has not been high enough to pay investors the high dividends they

espondents to the British government'a consulta-

industry minister Tim Eggar disclosed. Page 6

Recovery on Wall Street

ments from a UK securi-

investors were unwilling

the European finance bill

on Monday. After falling

to commit themselves

ahead of a key vote on

22 points at one stage,

the FT-SE 100 share

index closed only 3.1 lower at 3,033.5, but that

still meant a fail of

Leeds Permanent 12 Lonnho . 12 McKechnie 12 McLeod Russel

12 NPC
11 North West Water
12 Rothmans Intel
12 Stockland Sekers
5 Vytone
12 West Water
12 Oversees
12 August Marke

12 Australis Media 12 Deutsche Telekom 12 GWR

NPC

ties house helped raise

spirits on the London

stock market, where

and some bullish com-

London shares ease at end of bad week:

mier Edouard Balladur by 51 per cent to 49 per cent

with police in Madrid and threatened wildcat

an emergency job cuts plan. Page 2

Austrian coalition formed: Austrian

Spain's state airline Iberia disrupted flights, clashed

North West Water Group, Britain's second

west of the Zairean border town of Goma.

sales of almost Y4,000bn (\$40.63bn) a year. Page 13

as Berlusconi's

troubles mount

WEEKEND NOVEMBER 26/NOVEMBER 27 1994

Building societies' merger will create unit with assets near £90bn

Halifax and Leeds to form bank

The Halifax and the Leeds, two of the UK's largest building societies, have agreed to merge, then convert into a fully-fledged bank business empire. Page 28; Man in the News, Page 10 and a public limited company.

The deal is a significant move forward in the restructuring of the UK personal financial services industry. If it goes ahead, it will create the third-largest high street bank, with about £90bn in assets and a quarter of new mort-

Mr Jon Foulds, Halifax chairman, said yesterday the societies had "the opportunity to create a Yorkshire based world-class alternative to the clearing banks", which would continue to focus on savings, mortgages and

In contrast to traditional society mergers, members will not benefit from a bonus distribution of funds if the merger is approved. But they will later get shares in the new company.

At today's stock market values, the combined organisation would have a market capitalisation of £8bn-£9bn, which would mean shares worth between £500 and £1,000 on average for members.

Under the merger, the Halifax will take over the Leeds, with the 10m members of both societies voting on the deal in spring 1995. Then, if members approve in a second vote, the enlarged group will convert itself to a plc with a full banking licence. The new organisation will keep

the Halifax name, chairman,

chief executive and head office. Five non-executive directors and two executive directors from the Leeds board will join the Halifax board, and some of Leeds' prod-uct names - such as the Liquid Gold savings account - will be retained.

At its annual general meeting this year, the Halifax said it was seeking a merger with another society. The Leeds had been intending to merge with the National & Provincial building society but talks were called off in October 1993. It has been without a chief executive since February 1993, when Mr Mike Black-

inequality in the society _gnibbew ..Page 11

burn left to become chief executive of the Halifax.

The deal must overcome several regulatory and legal hurdles in order to succeed. These include a decision by the Department of Trade and Industry about whether the merger should be referred to the Monopolies and Mergers Commission.

The two societies have about 20 per cent of outstanding UK mortgage balances, and about 24 per cent of new mortgage business. They are no longer offering new customers the opportunity to become members by opening savings accounts. New investors will be offered non-voting deposit accounts. The conversion would repre-

sent the largest single extension



Mike Blackburn, chief executive of the Halifex, outside its headquarters

of share ownership in the UK. It the fifth-largest society, as a sep-would be the first such move arate presence than they would since Abbey National converted to plc status July 1989.

Rival financial services executives were divided yesterday about the impact of the merger on competition. Some societies argued that they would benefit more from the removal of Leeds,

lose from Halifax becoming even larger. It is already almost twice the size of the next largest,

Nationwide Building Society. Nonetheless, the deal may encourage other societies to press ahead with mergers. And it is likely to reignite interest in

coverting to plc status and to intensify the search for cost The overlap between the 1,100

branches of tha two societies has already led to fears of job losses among their 27,000 or so staff, although the societies said they expected job losses to found through natural wastage.

listen to me, I can't guarantee your lives." Fighters loyal to Mr Fikret Abdic, a mayerick local Moslem leader who opposes the Sarajevo

> on government positions in tan-dem with the Serbs. A radio station controlled by Mr Abdic said 400 of his men had entered Bihac Before the latest move forward was reported, tha Serbs were

leadership, have been advancing

said to be in control of about one-fifth of the notionally protected zone consisting of Bihac town and its environs. The latest Serb advance fol-

lowed the announcement by the UN of a ceasefire in the Bihac area, and a day of bitter arguments between the UN and the Bosnian government as to how badly and by whom it was being

mant that the UN was failing in its obligation to protect the town, said it was coming under heavy shellfire despite the truce. UN officials claimed that the ceasefire had initially held out fairly well, and they accused the Bosnian army of firing out of the

town with the intention of Continued on Page 28

Hurd floats possibility of EU referendum

By Kevin Brown, Political Correspondent

Mr Douglas Hurd, foreign secretary, floated the possibility of a referendum on further European integration yesterday as atwing Tory MPs claimed they had been threatened with deselection if they vote against the EU finance bill

Amid an increasingly bitter hattle over Monday's crucial second reading vote on the bill, ministers said there was no prospect of a general election or a successful rightwing challenge to Mr John Major's leadership of the

Frenzied head counting at

Westminster, indicated that 18 Tory backbenchers - just enough to block the EU finance bill - had signed a rebel motion giving the Commons public accounts committee power to block UK contributions to the EU budget.

in a development certai to inflame Eurosceptic anger. Mr Hans van den Broek, EU commissioner for external political affairs, called for a new constitutional deal that would end the UK's right to veto further inte-

Mr van den Broek said that four-fifths of the EU a population and member states should have the right to over-ride national vetos, challenging the 36-year-old

must have manimous support. Mr Hurd's admission that a referendum on further EU integration had not been ruled out was seen as an attempt to defuse the

Call for EU progress.....Page 2 Strapped for credit Page 10 Page 26 Lex

European issue by suggesting that voters may have the final say. Mr Hurd said he was "temperamentally opposed" to refereodums, but only parliament could decide whether to hold one. "It is a great mistake to say see I am not saying never," he told BBC radio. Downing Street said the prime minister remained "sceptical" about referendums, but did not rule out the idea.

A pledge of tough action gainst EU fraud will form the centrepiece of the government's defence of the finance bill. Potential rebels said they were coming under intense pressure to fall

into line before the vote. Mrs Teresa Gorman, MP for Billericay, said that Conservative central office had threatened to dishand her constituency party and install another candidate if it refused to deselect her. Central office said the party's voluntary

principle that treaty changes never in this world and you will area changen had simply explained the party's rules to the constituencies Underlining the government's

nervousness. Mr Michael Howard, the rightwing home secretary, warned that the party The Crown Prosecution Ser-

vice yestarday cleared Mr Mohamad Fayed, the owner of Harrods, of allegations that he tried to blackmail the prime minister by threatening to disclose impropriety by ministers. Mr Fayed said he was "totally

vindicated" and demanded an apology from Mr Major. Downing Street said there was "no ques tion" of an apology.

UN and Nato struggle, Page 2

Goldman Sachs wins role in Deutsche Telekom sale

By Andrew Fisher In Frankfurt and Michael Lindemann in Bonn

The German government yesterday named German and US banks to head the DM15bn (26.17bn) sale of shares in stateowned Deutsche Telekom, setting the stage for one of the world'a

biggest equity issues.

Mr Wolfgang Bötsch, the postal minister, ended weeks of waiting with the announcement that Goldman Sachs, the US investment bank, would join Deutsche Bank and Dresdner Bank as joint leaders of the global issuing consortium after intense speculation over which foreign bank would play the most prominent role.

With fees of about DM400m involved in the partial privatisation - a quarter of the group will interest from 22 foreign banks.

They were screened at a beauty contest in Bonn where they made presentations to government and Deutsche Telekom officials in September. Goldman Sachs was considered

the favourite, because of its performance in the contest, its telecommunications knowledge and its work with Deutsche Telekom on acquisitions. But other banks, notably Merrill Lynch of the US. were also in the running European banks lobbied hard, but unsuccessfully, for a British bank to be a co-leader.

UK investors are expected to take up to DM3bn of the issue and the US market about the same. S.G. Warburg, the Loodon-

be sold in the first tranche early based investment bank, will head in 1996 - the issue attracted the UK consortium, while the US group leadership will be shared by Goldman Sachs, Deutsche Bank and Merrill Lynch.

Deutsche Bank was given a more prominent role than many hankers expected, since it will be spokesman for the global consortium. It will also head the bookbuilding operation in which investment demand is assessed and the issue price worked out. "This takes the investment banking activities of Deutsche Bank a buge step further," said Mr Ronaldo Schmitz, a director.

The German bank surprised the financial community a month ago by deciding to locate its main investment banking activities in

Cootinged on Page 28

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Mr Hans van den Broek, EU commissioner for external political affeirs, has risked inflaming divisions in the ruling Conservative party in Britain with a call for weakening national veto powers in the European Union.

Mr van den Broek, who will assume wider authority in external relations in the incoming Commission of Mr Jacques Santer of Luxembourg Delors, who leaves the presidency of the European Commission in January - said it was time to consider new constitutional arrangements to allow a vanguard of integra-

He suggested that changes in the Maastricht, Rome or other EU treaties should enter into force when four-fifths of the EU's population and member states have ratified - a challenge to the 36-year-old principle that treaty changes must

tionist-minded states to move

ahead in a multi-speed Europe.

Mr van den Broek's speech, in the Hague on Thursday night, came at the end of a turbulent week in British politics, with the UK government threatening to call an election if it loses a parliamentary vote next Monday on raising UK contributions to the EU hud-

His thoughts reflect broad but by no means overwhelming sentiment among govern-ments in Germany, the Benelux countries, and, to a degree, France, in favour of a multispeed Europe built around an inner core of committed inte-

Aides said the speech would erve as a marker ahead of the 1996 inter-governmental conference to review the Maastricht treaty, but British officials noted that the Dutch commissioner had touched "the most neuralgic point" of the Rome treaty. Others warned that forcing the pace of integration by diluting national veto powers

According to a text distributed in Brussels yesterday, Mr van den Broek said: "I believe that the majority view in the Union is that all members should move ahead together wherever possible - but if a smaller group wish to push ahead towards closer integration then they should be allowed to do

In a side-swipe at Britain and Denmark, who won opt-outs in the 1991 Maastricht treaty on monetary union. Mr van den Broek said: "A few years ago some member states were com-peting for opt-outs. Now, the competition should be for opt-Last month, Mr Jean-Luc Dehaene, the Belgian prime minister, called for an extension of majority voting, declaring that the need for unanimity and the exercise of national vetoes could lead only to block-

ing effective action. Mr Dehaene proposed that the Commission should decide which countries met the conditions for a multi-speed approach, with a final decision made by a qualified majority of member states.

Despite these interventions, senior British officials remain confident that the 1996 conference will not lead to wholesale revisions in the Maastricht treaty and a substantial weakening of veto powers.

in the UK government's view, France remains the swing country in 1996. Official predictions assume that a sovereignty-conscious French govpressure to form a genuine European political union with the Commission as the new executive government of

cern about the possibility that Mr Delors may enter and win France. The prospect of Mr Delors joining Chancellor Helmut Kohl of Germany in a reinvigorated Franco-German axis is not viewed with relish

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Maastricht | UN and Nato in struggle over Bosnia

The UN has in effect recaptured from Nato the main diplomatic initiative over the Bosnian conflict, in a fresh setback for the prestige of the Atlantic alliance.

The pivotal role of the UN was illustrated yesterday by the mediation efforts of General Sir Michael Rose, UN commander in Bosnia, and a comment from Mr Boutros Boutros Ghali, the UN secretary general, that he was in touch with all the warring parties.

Shrugging some off some harsh criticism from Bosnis's Moslem-led government, the British general yesterday took advantaga of the apparent exhaustion - however tempoary - of both parties in the Bihac enclave to broker a

Having captured such strategic positions as the Grabez pla-teau and the Debeljac hill, the Serbs may have calculated that they had little need to advance any further into the town. while the Bosnian army was in space after two weeks of continuous setbacks.

The visibility of the British UN commander pointed to a renewed emphasis on pragmatic, ad hoc mediation efforts which avold passing judgment on the parties - and a philosophy which the US has urged on its Nato partners. Nato ambassadors failed on Thursday to reach agreement on a US plan for demilitarising the Bihac area, and they said



Defender: A French UN soldier patrolling the area around Sarajevo airport yesterday as peace negotiations took place

posal to the UN for further

elaboration. There was little sign, howver, of that elaboration taking place yesterday because the problem raised by France over the US proposal - the lack of ground troops to oversee demilltarisation - seems a virtually

air power to sbore up the military fortunes of the Bosnian government, have effectively been dasbed. Mr Willy Claes, the new sec-

retary-general of Nato. acknowledged yesterday that he was disappointed by the

should have been able to push further," he said. the US hopes of a Nato imprimatur for firm intervention in Yesterday's davelopments the conflict, with tough use of were only the latest in a series

> Nato's political machine In theory, the US should elways find It easier to win approval for its policies in Nato - where it is by far the biggest military power - than

contend with the influence of Russia and China.

But last week, as air attacks from Serb-held Croatia brought the Bihac crisis to a head, US of setbacks to the prestige of diplomacy appeared to be homing in more strongly on the UN, where the security council passed an emergency



sions with Mr Boutros Ghal about the need for tough action in Bosnia.

The recent electoral victorie for the Republicans in the US have increased the pressure for an outright lifting of the arms embargo against Bosnia something that would almost certainly make the UN's continued presence in the republic untenable and force a humilia ing withdrawal

Mr Boutros Ghali is believed to be well aware of that con eration as he formulates policy towards Bosnia and tries to head off the danger that peace keeping in former Yugodavis will end in the same humilist ing way as the UN mission to

The secretary general has other factors to take into account, including the delicacy of the situation on the ground and the impossibility of inter-vening with air strikes in hand-to-hand fighting.

Russian duma deflects budget row

By John Lloyd in Moscow

The Russian parliament last night stepped back from confrontation with the government over the hudget hy calling for a "concillation commission" to "check on the basic figures" of next year's hudget before a vote is taken. The commission is due to report by December 10.

However, the debate yesterday in the state duma (lower house) and comments by leading deputies leave little doubt that the budget as it stands -

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promoted by the government as a strategy which will finally poncture high inflation and stabilise the rouble would be voted down by the dnma, According to Mr Mlk-bail Zadornov, chairman of the duma budget committee, only the liberal Russia's Choice party led by Mr Yegor Gaidar would vote for it.

The government has made clear it is open to proposals to tinker with the figures, but will reject all efforts at stratefor the government next year. blils, and snpport, largely from the International Mone tary Fund, of nearly \$13hn (£8hn) - at the present exchange rate, eround one third of the projected yearly

Mr Zadornov attacked each part of the budget strategy. He said treasury bills would not be sold in large amounts at a time of high inflation, that the

projected level of expenditure was far too low given commitments already made and debts

which had to be paid. Mr Vladimir Pauskov, the new finance minister, yester-day revealed the parlous state of the government's finances admitting that it could not pay Rbs3,000bn it owes to defence equipment companies. However, he said that the nearly Rbs2.000bg debt owed in back wages to state employees had been reduced to Rbs600bu.

Pochinok, the Russia's Choice member who is deputy chair man of the budget committee yesterday attacked Mr Zador nov and other leading mem-hers for refusing to realise how essential the budget was to save the country from continuing decline.

To derision from his colleagues and from many of the press, Mr Pochinok said: "If we want to live reasonably, we have to learn how to produce and how to sell. People buy

Spanish flights hit by protests

Flight cancellations, delays and scattered clashes between ground staff of the state-owned Iberia airline and police yesterday at Madrid's Barajas airport were a foretaste of the chaos that could afflict air traffic to

Spain in the days ahead: Some 30 Madrid-Barcelona shuttle service and other morning rush-hour flights to Spain's main cities were grounded as police took four hours to restore calm to the domestic terminal. At several airports, works committees began sit-

International flights were not affected yesterday but airlines were bracing themselves for a worsening situation next week. "We're not cancelling. anything at this stage and we'll just have to wait and

see," said Air France. Yesterday's incidents were caused by Iberia employees affiliated to minority unions. The disruptions are likely to increase on Monday when the main unions will join the protest against a drastic restructuring plan drawn up by the management that involves redundancy notices for 20 per cent of the company's 25,000 employees and the sell-off of

most subsidiaries. The powerful Iberia pilots union, which had so far stood back from the dispute, said It would support strike action and would also take the airline's management to court if it pressed ahead with the

break-up of the company. The main concern is that wildcat action could close domestic airports. Extremists are calling on Iberia employees to block runways and to cause disruptions similar to those during the violent Air France

strike a year ago.

The airline is expected to lose Pta44bn (£218m) and it could face bankruptcy next year unless it severely reduces its costs and raises fresh cspi-tal through disposals.

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gic shifts. The budget envis-The discussions are now imported goods because they ages no central bank credits Western interest fails We help Expatriates to allay Gazprom fears

The foreign appetite for shares in Gazprom, the Russian gas monopoly which is the world's largest supplier and the country's biggest company, has created huge disparities in its market price ahead of the sale of 9 per cent of its stock to international Investors, planned to take place by the

end of the year. The price of Gazprom shares quoted on the Vladivostok stock exchange has soared to Rbs15,510, according to Gazprom officials. This is more than 17 times greater than the Rbs880 quoted by Moscow hrokers, and reflects the fact that foreign investors, who can trade on the Vladivostok exchange following a test offering last month, are pushing up

The Vladivostok price would mean that the 9 per cent offered abroad would be worth around \$10bn (£6bn) - on the Moscow price it would be worth under \$600m. However, both prices are highly artifi-cial, since nothing is known of how the shares will be offered, and there are doubts surround

and even about whether Gazprom has the right to sell them to foreigners.

Gazprom is, after the oil companies, the largest earner of hard currency for Russia. Its annual contract with the German company Ruhrgas - its largest foreign client - is worth DM2.6bn (£1hn) a year.

However, according to brokers and financial executives in Moscow yesterday, the doubts surrounding the shares may mean that the price will be lower than Gazprom is hoping for - though they concede that a company as potentially rich as this may be forgiven a good deal of uncertainty. Kleinwort Benson, the London merchant bank handling the sale, refuses to give any details, citing the need to observe US legislation on non-disclosure of information before a sale.

The problems cited by the Moscow analysts are: · Lack of information on how the shares are to be offered whether to chosen investors or

 Lack of ability to prove title to the shares - which, though they have a price, are barely

 A clause in the company's charter which forbids it to sell shares to foreigners. Though it can probably circumvent the clause by creating a special

class of foreign shares, it might leave itself open to legal chal- Though its reserves are vast estimated to be worth between \$1,500bn to \$2,000bn it is subject to Russian government policy of controlling

energy prices and cannot collect some of its largest debts, from other former Soviet Gazprom has received substantial credits from the Italian and German credit agencies,

but in both cases can offer gas supplied to these countries as The European Bank for

Reconstruction and Developmant is working with the com-pany on an ambitious plan to identify investment opportuni-ties on its 220,000km of pipeline but has as yet not decided to invest in the company. By contrast Lukoil, the next

higgest energy company, has onstrate accounts diligence.

Reply within 14 days and you get the bonus of a free 4-Z guide especially written to help you through the financial jargon maze. All the buzz words and technical phrases are explained, enabling you to make the most of the financial sections. har vent subscription time P-P1 UKTR. Europe C1

Austria's new coalition agrees big spending cuts

in government spending.

trade union and various interests groups, the Social Democratic party and the conservacnt spending by Scb250bn (£14.5bn) over four years, curtall several social programmes and make some steps toward more flexible labour laws. fn an all-night negotiating

session, the two parties resisted presentes to drop key parts of their austerity plan, but left some details open for fnture talks with the trede unions. If fully implemented, tbe cuts would mark a significant departure from Austrian

are boping to reduce the budget deficit, which is projected at Schli7bn next year, and bring it in line with the convergence criteria of the Maastricht treaty. Austria will join the European Union on Jannary 1 and wants to be in the core group for monetary

Among the most painful measures is a pledge to limit public sector pay rises to 2 per cent in 1995, below the projected inflation rate of 2.5 per

The key positions in the new cabinet will remain unchanged, however, despite promises of a new start and a resbuffle by both parties. In the elections last month, the

conservatives fell from 60 to 52 seats. The big winner was the right-wing Freedom party, which capitalised on voter disillusionment with the abuse of power and patronage by the governing parties. It gained nine seats to 42 seats.

The Freedom party leader, the charlsmatic Mr Jörg Haider, is boping to break the coalition before its regular term ends in 1998 and become chancellor after the next elections. Public discontent with the spending cuts could burt the governing parties in the

traditional policies of big gov-Sociel Democrats dropped erument spending and gener-ous social benefits. Seven weeks after suffering big losses at the hands of disil-Chancellor Franz Vranitzky, lusioned voters, Austria's two a Social Democrat, and consermain parties agreed yesterday vative leader Erhard Busek

to form a new coalition gov-eroment and make large cuts

Weathering protests by tive People's party agreed lo

from 80 seats to 65 seats in the 183-seat parliament, and the

But the accord sbould also help maintain market confidence in the Austrian economy and its currency. The two parties also resolved a dispute over who should be in charge

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and Cuba for the first time in 30 years. Both AT&T and MCI were due to open telephone lines to Cuba yesterday evening, offering a much easier and cheaper service to Cuban exiles, who have had to resort to special services in Canada and Italy to get around a bottleneck that restricted the number of calls to the Caribbean island.

Telephone service is the one significant area in which the US has wanted to ease its long-standing embargo against the government of President Fidel Castro. The 1992 Cuban Democracy Act, which otherwise tightened the embargo, offered new

opportunities to improve telecommunications links.

Much of Cuba's telecommunications equipment dates from the 1920s, and only an estimated 1 per cent of the 60m calls placed from the US to Cuba go through. But upgrading the link has been complicated by disputes over how to handle Cuba's share of the revenue from telephone calls. *George* Graham, Washington

Nicaragua reforms constitution



The Nicaraguan congress has approved constitutional reforms which ban close relatives of President Violeta Chamorro (left) from standing for the presidency, in a move to shift powers from the executive to parliament. The reforms, which allow for a second hnt not consecutive residential term, are o defeat for Ms Chamorro's son-in-law, Mr Antonio Lacavo, the minister of the presidency and de facto prime minister. He was hoping to stand for president in May 1996. The vote means the hard-

line Sandinista leader and for mer president Mr Daniel Ortega may stand in 1996. But his plan to negotiate with Mr Lacayo the removal of the consanguinity ban - in exchange for a law to legalise Sandinista ownership of some properties confiscated during the party's 1979-90 administration — has been scuppered. It was supported by 32 moderate Sandinista congressmen out of a total of 39, in defiance of Mr Ortega and the Sandinista assembly. "This is an enormous political defeat for Daniel Ortega and Antonio Lacayo," says Mr Carlos Tunnerman, a former Sandinista ambassador to Washington, who has left the party. "The

division in the party is irreconcilable and a split is inevitable."

The vote cuts the presidential term from six to five years, obliges the government to seek congressional approval for international loans and trade negotiations, and makes the army more accountable to civil authority. Edward Orlebar,

Oslo to plug oil tax loophole

Norway yesterday announced a controversial plan to plug a loophole in the petroleum tax regime which it says has cost state coffers losses estimated at NKr300m (£28m) a year in inflated profit repatriation by foreign oil companies. The state accuses oil companies of boosting profit repatriation by building up debt in their Norwegian subsidiaries and offsetting the financing costs against local taxes. The finance ministry proposal would require the companies to maintain their equity capital at a minimum of 20 per cent or be penalised by higher

'The so-called "thin capitalisation rule" will be retroactive to the beginning of 1994 if it is approved by parliament. "The proposition means that a higher equity capital share than 20 per cent will have consequences for taxation since the rights to deduct net financial costs will be limited in proportion to a maximum debt ratio of 30 per cent," the ministry said. Karen

West German inflation slows

The annual inflation rate in west Germany slowed from 2.8 per cent to 2.6 per cent in the month to mid-November, according to preliminary data from the federal statistics office yesterday. With prices continuing to stabilise, and a strong D-Mark defending the economy against imported inflation, economists suggested the Bundesbank still had room to reduce its short-term interest rates. Meanwhile, central bank data issued vesterday showed that a deficit of DM7.7bn (£3.14bn) on the pan-German services trade balance made the largest contribution to an unexpectedly big total current account deficit of DM5.2bn during September. The aggregate deficit for the first three quarters of the year rose accordingly to DM41.9bn. Visible imports, up 5.2 per cent, grew more than forecast leaving the trade surplus at DM5.8bn, down from DM7.1bn in August. Christopher Parkes, Frankfurt

• Mr Horst Schulmann, a Bundesbank council member and president of the regional central bank in the state of Hesse, has died. He had been ill for some time. Reuter, Frankfurt

Tanzanian minister 'must go'

The International Monetary Fund and World Bank have told Tanzania's government its finance minister should be removed, officials in Dar es Salaam said yesterday. They said IMF and World Bank representatives said the scheduling of a new meeting of Paris Chub creditor countries and the resump tion of aid by Norway and Sweden depended on Mr Kigoma

Malima'a departure.

President Ali Hassan Mwinyi last week appealed to donors and international agencies to keep giving his government aid during an official investigation into rampant tax evasion, which cost an estimated \$125m (£76.2m) in lost revenues last year. Sweden and Norway froze a total of \$28.5m in aid to Tanzania last week, citing concern at the evasion.

The officials said foreign donors had reserved the right to commission an independent audit on the report on the tax evasion investigation being carried out by the controller and auditor general. Other donors could suspend aid as Norway and Sweden have done if the president ignored this condition, they added. Render, Dor es Salaam

Australian strikes begin

The wave of industrial action threatened by some large union wage claims in Australia got under way yesterday. About 1,500 wage claims in Austrana got under way yesterday. About 1,500 members of the Transport Workers' Union, which is pursuing a 15 per cent wage claim to be spread over two years, decided to strike over the weekend. Their action is targeted at supermarkets, and is expected to leave many stores without food or

milk deliveries.
This could be followed by a 24-hour strike by aircraft refuellers and oil tanker drivers on Monday. The federal Industrial Relations Commission ruled yesterday that the TWU was seeking to avoid enterprise bargaining by lodging a sector-wide pay claim, and withdrew the union's right to strike on Monday without risking heavy fines. Despite this, there were indications that workers still plan to go ahead with the action. If the action does take place, it is expected severely to disrupt domestic and international airline services. Nikki Tail, Sydney

Court reprieve for Tapie

Mr Bernard Tapie, the French businessman-politician, yesterday won a few days' reprisve when the Paris commercial court postponed to Monday its examination of whether his companies should be placed under court administration, a possible first step to bankruptcy.

Crédit Lyonnais, Mr Tapie's main banker, forced the issue Crédit Lyonnais, Mr Tapie's main banker, forced the issue

last week by blocking the account of Bernard Tapie Finance, the holding companies which controls La Vie Claire, a chain of the holding companies which controls La Vie Claire, a chain of the notating companies which controls as vie Claire, a chain of health food shops, and Testut and Terraillon, which makes industrial weighing machines. David Buchan, Paris

No room in the Vietnamese inns

Scarce accommodation hinders business stormtroopers, writes Kieran Cooke

serviced apartment building is going up on the shore of Hanoi's famous Ho Tay or West Lake. The price for o spacious, but by no means luxurious, two-bedroomed flat is \$8,000 (£5,000) a month, plus some service

The rush to Vietnam is on. Encouraged by the lifting of the US trade embargo this year, foreigners are charging into Vietnam in ever greater numbers, seeking husiness opportunities on what many see as Asia's new frontier. But there is little room for

these stormtroopers of the business world. Hotels in both Hanoi and Ho Chi Minh City (the former Saigon) are often booked out months in advance. Room rates, although not nec-essarily facilities and service, are equivalent to Singapore or Sydney. Tourist arrivals have gone up from 250,000 in 1990 to a forecast of nearly 1m this

The pressure on accommodation is immense. "It's a bizarre situation," said one Hanolbased foreign oil company

"I'm living in a city which has 1930s facilities but I'm paying modern-day Hong Kong

Property developers, led by Singaporean, Malaysian and Hong Kong-based companies, have moved in to take advantage of the dramatic upswing in the number of people seek-ing not only hotel accommodation but homes and offices for rent. According to official figures, 95 joint local/foreign hotel projects worth a total of nearly \$2hn have been approved over the last two

Piling machines are making their way down Hanol's narrow streets. Cranes dot the Ho Chi Minh city skyline, But the developers are not having an easy time.

One of the first problems any investor in Vietnam faces is the lack of a comprehensive system of commercial regula-

Hong Kong Inflation

Annual % change



property.

tions and law. Developers find land and building space.

that under Vietnamese law all Mr Huynh Buu Son, deputy

involves lengthy negotiations

Nonetheless, local speculators have used gold stashed away during recent years or money from relatives overseas to gain control of property in the hope of a foreign rush for

director of the Saigon Bank for Industry and Trade, says that prices in parts of Ho Chi Minh City have peaked. "Some local banks which have supported the speculators are going to get into trouble. Locals who bought at inflated prices now can't find huyers for their

With the absence of a proper land title system and no mortgage laws, foreign developers find that their banks are often unwilling to offer financing in such an uncertain market. Instead, companies have to rely on their own cash

develop, the next problem is

compensation and resettlement for those living there. Hanoi and Hon Chi Minh City are two of the most densely populated urban centres in Asia; the den-sity in parts of Ho Chi Minh City is greater than in Hong Kong, while Hanoi's population has risen from 500,000 inhabitants in the 1950s to more than

3m today. Foreign developers, as well as diplomatic missions and company executives, have been keen to renovate and rent some of Hanoi's crumbling French colonial-style villas. The authorities give the go-ahead but say those inhabiting such properties must be

That can be an expensive proposition. The authorities

S Korean opposition chief quits parliament

By John Burton in Secui

recently found that more than 1,000 families were living in 150

villas in the centre of Hanoi. Compensation claims are often grossly inflated.
Several foreign-backed projects have either been aban-

doned or are still only in the

planning stage. Work on a French/Vietnamese joint venture project to build a hotel near the site of the Hanoi

Opera House has still not

started, nearly two years after winning initial approval from the authorities. A Scandina-

vian/Vietnamese venture to

build a hotel near the city's

Lenin Park has apparently run

The \$63m New World in Ho

Chi Minh City, described as the

southern city's largest luxury

hotel, finally opened in October after six years of squabhling over land agreements and

Some Vietnamese are wary

of the foreign property develop-ers. Officials insist that they do

not want Hanoi or Ho Chi

Minh City to fall into the same haphazard development cycle

as cities like Bangkok. Some

criticise the emphasis on lux-

ury hotels and resorts, out of

reach of all but a small minor-

ity of Vietnamese, while farm-

ers have objected to precious

agricultural land and water

resources being used for golf

Mr Peter Purcell, an Austra-

lian property developer, is

managing a project to build an exclusive recreation club on

the shore of Hanoi's West

Lake. Although building on the

project has yet to start, compa-

nies are already advancing \$15,000 membership fees.

ments are planned nearby.

Things take longer to do

here," says Mr Purcell. "It's not like Singapore or Malaysia,

where, if the authorities tell

people to move off the land,

that's it. Even the lowliest

worker has a say. Small-scale

projects are fine but I'd be

wary of getting involved in any

Several luxury hotel develop-

into financing difficulties.

compensation claims.

Mr Lee Ki-taek, South Korea's main opposition leader, resigned his parliamentary seat yesterday to protest at the recent decision by the govern-ment not to prosecute two fora 1979 military coup that brought them to power.

Mr Lee, who has blocked parliamentary proceedings for the last three weeks over the issue, called on other MPs to follow his example and force a general election. But analysis believe his surprise move may instead cost him the leadership of the Democratic party (DP) because some party offi-cials regard his position as too extrem

"He has painted himself into a corner," said one aide to Mr Kim Dae-jung, the former DP

Mr Lee, who has been criticised for his hapless leadership since becoming party head two years ago, sought to use the government's failure to prosecute former presidents Chun Doo-hwan and Roh Tae-woo as an issue to strengthen his position within the party. By confronting the government. he hoped to rally support behind his leadership.

Many DP members opposed the military government after the coup leaders violently suppressed a 1980 revolt in the city of Kwangju, the party's

main power base. But some senior DP officials, including the party's founder Mr Kim, have urged Mr Lee to abandon his hardline attitude and resume parliamentary proceedings, which will include the scheduled approval of South Korea's membership of the World Trade Organisa

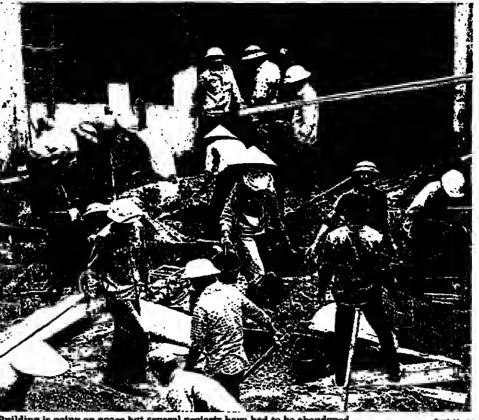
The fate of former presidents Chun and Roh has also posed a political problem for the current President Kim Young-sam, who was an opponent of military rule in the

President Kim favonred leniency for the two former presidents because he feared that prosecuting them could lead to a split within the ruling Democratic Liberal party. Prosecutors said Mr Chun and Mr Roh would not be

charged with military rebel-lion hecanse of their subsequent service to the country. The majority of DLP MPs are allies of Mr Chun and Mr Roh, The DLP was created in

1991 following a merger between then-president Roh's ruling party and Mr Kim's smaller opposition group. There have been persistent

rumours that conservative MPs may soon quit the DLP and form a new party to oppose President Kim because of concerns that they will not be renominated for parliamentary seats in the 1996 elec-



land belongs to the state and Establishing title to land

with numerous, often competing, authorities, including politically powerful local people's committees. Local estate egents may claim to have rights to the land they are selling but, in fact, they often have only doctored papers which one government department may accept and another

Having found a site to

Measures aim to encourage purchases of imported goods

Japan's tax reforms clear Diet

By William Dawkins in Tokyo

tax reforms to stimulate the

weak recovery in the short

term and restrain growth in

This fulfils a promise made

by prime minister Tomiichi

Murayama at the Group of

Seven summit in July to cut

income tax as a means to

encourage more Japanese to

huy imported goods and lower

the world's largest and most

politically contentious trade

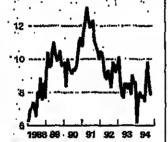
The first part of the package

consists of Y16,500bn (£107bn)

of income tax cuts spread over

surolus.

state borrowing after 1997.



Inflation in HK at lowest in six years

By Simon Holberton in Hong Kong

Hong Kong is expected to produce its lowest annual inflation rate since 1988 this year. The government has revised its inflation forecast down to 8 per cent for the year from a previously estimated 8.5 per cent.

The easing of inflationary pressures was not, however, seen as a harbinger of slower economic activity. The government left unchanged its fore-cast of a 5.7 per cent real expansion in the economy for

The revised inflation forecast came with the release of the government's quarterly economic report which showed that gross domestic product expanded by 5.4 per cent in real terms in the second quarter of the year compared with a year earlier. This was a slightly slower rate than the 5.7 per cent in the first quarter of the year. Inflation has been one of the

government's biggest political problems. Its easing appears in part to be a combination of a slower growth in personal consumption and reduced activity in Hong Kong's residential property market. Prices for flats have eased by 10-20 per cent since a package of measures was introduced to curb speculative activity.

The colony's growth rate has been propelled by a strong external trade performance. Exports, for which more recent data are available, were up 11 per cent in real terms in the third quarter, while re-exports were 14 per cent higher in real terms than in the previous corresponding period.

Growth in retained imports

of capital goods was 17 per cent in real terms in the third quarter over a year earlier, compared with a real growth of 6 per cent during the first the next three years, worth empowers the government to per cent in November from the

In the second stage of tax reform, starting in the fiscal year beginning April 1997, sales tax will rise from its internationally low 3 per cent to 5 per cent. This is needed to finance the tax cuts, and over the longer term compensate for the shrinkage in the income tax base caused by Japan's fast-ageing population profile.

The sales tax rise is smaller than the fiscally conservative finance ministry had wanted. because of its obvious political

Japan's upper house of annual total Y3,500bn will con-points, depending on the state parliament yesterday gave tinué after 1997 as a permanent of the economy and adminishy e freak rise in food prices. Italiag out food, the core To win support, even for the

unpopularity. However, a clause in yesterday's tax hill

Y5,500hn annually. Of the raise sales tax by more than 5

smaller figure, from members of the three-party ruling coalition. Mr Murayama promised to cut spending on the public administration. His government relterated that pledge yesterday. It planned to produce by the end of March a list of state hodies due to be slimmed, merged or closed, said Mr Masahiko Komura, director general of the Eco-

nomic Planning Agency. Consumer prices in Tokyo, an early indicator of nationwide inflation, rose 1.1

same month a year ago. How-ever, most of that was caused Tokyo inflation rate was a

mere 0.5 per cent year-on-year, down 0.1 per cent on October, confirming inflation continues to be almost non-existent. One reason for this is the pressure on prices from bar-

gain-conscious consumers, shown yesterday by a 2.6 per cent year-on-year fall in department store sales in October, the 32nd consecutive month of decline. Business, meanwhile, is expanding fast at discount supermarkets, opening up at a rate of 80 per month nation-

Tokyo breaks silence over plutonium stocks

By Emiko Terazono in Tokyo

The Japanese government disclosed the country's plutonium stockpiles for the first time yesterday in an effort to increase transparency of its nuclear fuel programme. Tokyo has long been secretive about its amhitious plnto-

of security. However, concern over its plutonium policy was aired last year hy some Japanese MPs, ahead of the British government's authorisation of the controversial launch of British Nuclear Fuel's Thorp plant at Sellafield.

nium programme on grounds

They opposed the start of Thorp's operations, claiming that Japan, a leading customer

plant, would be left holding excessive amounts of plutonium.

International concern over global nuclear proliferation and heightened criticism over North Korea's nuclear developments have also prompted the Tokyo government to provide more information to the public. The stocks were listed in the

nuclear energy white paper put together hy the Science and Technology Agency. Agency officials said the amounts had been disclosed to reconfirm the government's plan of not hold-ing more plutonium than the programme required.

The white paper said 1,286kg of phytonium were held in the UK and 4,911kg in France at the end of last year. Since of the nuclear reprocessing Japan has as yet no fully

cessing facilities, British Nuclear Fuel and Cogema of France are reprocessing nuclear fuel into plutonium. Of the 4,684kg held in Japan,

326kg were situated at reprocessing facilities in Tokai, north of Tokyo, and 3,269kg at the site's fuel fabrication facilities. A further 1,089kg were at the country's fast breeder reac-

The government's announcement comes ahead of the shipment next February of high density nuclear waste originat ing from Japanese used nnclear fuel processed by Cogema. A total of 28 stainless steel containers of nuclear waste moulded together with glass will be shipped back to Japan from France.

Indian police kill seven

Police shot dead seven people and injured 100 yesterday when they opened fire on a crowd of students in Kannur district, in the southern Indian state of Kerala.

Police said they fired at the

crowd after protesters attacked the car of a visiting state minister during a demonstration hy the youth and student wings of the Communist Party of India – part of widespread action against the state government's education policy.

It was the third consecutive day to which police have resorted to violence to quell demonstrations, in unrelated southern state of Andhra Pradincidents in different parts of the country. At least 120 people died in a

stampede in Nagpur, Maharashtra state, on Wednesday after police used batons on a group of tribal demonstrators to stop them breaking through a cordon around the state legislature. On Thursday at least two people were killed in the eastern sector of New Delhi, the capital, when police opened fire on a mob they said stoned a squad of the Delhi Development Authority as it attempted to demolish an unauthorised

• Maoist guerrillas in the

construction.

esh kidnapped a relative of prime minister PV Narasimha Rao ahead of an election rally the Indian leader was set to address yesterday, police said, Reuter reports from Warangal. They said guerrillas of the Praja Pratighatna group, a breakaway faction of the main Maoist People's War Group, were demanding a Rslm (£20,400) ransom for the brother of Mr Rao's son-in-law. The Maoists defied a paramili-tary crackdown on Thursday

THE SAME RHEUMATIC DISEASE WILL AFFECT MOST OF US DURING **OUR LIFETIME.** There are more than 200 different arthritic and rheumatic diseases severely affecting between 7 and 8 million people in this country The Arthritis and Rheumatism Council is the only major UK charity financing medical research into all aspects of arthritis and beumatism at most teaching hospitals and universities in the UK. There is real hope that arthritis and rheumatism can be beaten. To make sure that your children and grandchildren have a fair chance of a future free from these disabling diseases, join us in the battle to find the Cure today. cure today. FIGHTING THE CAUSE - SEEKING THE CURE Your Information Pack [] Legacy/tiow to make a Will Pack [] l enclose: □£31 □£47 □£19 my gift of £ to lead a strike against what they say will be fraudulent To: The Arthritis & Rheumstism Council, state assembly elections on FREEPOST, Chesterfield, Derbyshire S41 7BR.

YOUNG OR OLD

THE PAIN'S

Eight die in Palestinian gun battles

gee camps and many refugees feel the Israeli-Palestinian

peace agreement bas perma-

nantly ended the right of

return to their homeland

which has been the central ral-

lying call of the PLO for

Naither Lebanon nor Syrla

has so far tried to move into

the camps to disarm the guer-

rillas. Syria, which maintains

40,000 troops in Lebanon, has also publicly criticised Mr Ara-

fat's peace agreement with

that Arafat's problems are not localised to Gaza but spread

across the Palestinian diaspora

nation and across the entire

Arab world," said a Beirut

In Gaza the militant Hamas

Islamic Resistance Movement, which has blamed Mr Arafat

for last Friday's killings, post-

poned a large rally until today. Hamas, which leads the Pales-

tinian opposition to the peace process, said it expected 20,000

people to attend the rally to

demonstrate the strength of opposition to Mr Arafat's peace

deal. Earlier in the week up to

10,000 supporters of Fatah dem-

In Israel, the prime minister, Mr Yitzhak Rabin, said carry-

ing out a death sentence given yesterday by an Israeli military

court to a Palestinian guerrilla

from the Hamas group would be a "blunder". Mr Rabin said

he opposed execution of a Pal-estinian sentenced to death for

carrying out a bus bomb attack

in April that killed six people.

"To this day Israel has not put

a single Palestinian terrorist to

death and I think this was cor-

Leaders of Hamas said the

death sentence would only

encourage further Islamic sui-

cide attacks against Israelis,

not deter them as the military

rect." he said.

onstrated in Gaza.

Syria is anxious to prove

By Julian Ozanne in Jerusalem

battles between supporters and opponents of Mr Yassir Arafat, chairman of the Palestine Liberation Organ-isation, left at least eight Palestinians dead yesterday in Leba-non's biggest refugee camp.

The day-long fighting with machine guns and anti-tank rockets has sparked fears of an eruption of internal Palestinian violence among the 400,000 Palestinian refugees camped in

The fighting marks the spread of tension between Palestinians supporting and opposing Mr Arafat's peace agreement with Israel, and the anger about last Friday's kill-ing of 12 Palestinians in the Gaza Strip by Mr Arafat's Palestinian police force.

It also exposes the deepening divisions within Mr Arafat's Fatah faction and more widely within tha PLO, traditionally dominated by Fatah, and the mounting challenge to Mr Ara-fat's leadership.

Fighting broke out before dawn when 400 pro-Arafat guerrillas seized six military sts manned by 200 dissidents in the Ain el-Hilweh refugee camp near the southern port of

The dissident group is led by Lt-Col Munir Maqdah, the former military head of Fatah who was dismissed by Mr Arafat last year after he called for the PLO chairman's resignation over the peace agreement.

The traitor Arafat has to move away from our Palestinian people," Lt-Col Maqdah was quoted as saying yester-day after he described last Friday's clashes as "massacres"

committed by Mr Arafat. Armed Palestinian factions backed by Syria and opposed to the peace deal have a strong presence in Lebanoo's 12 refu**Gingrich** warned on role in **Congress**

By George Graham

The outgoing leader of the Republicans in the House of Representatives yesterday warned his successors against etting power go to their heads after their sweeping triumpb in this month's congressional

Mr Bob Michel, who is retiring after 38 years in the House and 14 as leader of the Republican minority, said he did not care for the plans of Mr Newt Gingrich, who will succeed him as Republican leader and take over as speaker of the House in January, to concen trate more power in the speaker's office.

"I didn't crave power when I was leader - I don't know if it would have changed if I were speaker. I just hope it doesn't go to our newly elected leaders' heads," Mr Michel told the Chicago Tribune newspaper.

"Nawt knows what be's doing," Mr Michel said, but warned that the pugnacious Georgian was "more of a theoretician than he is a parliamentarian". "Overplaying your hand in the majority can lend itself to the minority in justifying itself in really sticking it to

This is not the first time Mr Michel has bemoaned the more partisan style of politics that has taken over Congress, but his warnings to Mr Gingrich were unusually pointed. They could foreshadow clashes in style between Mr Gingrich and Senator Robert Dole, who will lead the Republicans in the Senate and who is more of a parliamentarian than the new

Mr Michel also criticised the "Contract with America", a list of campaign pledges espoused by most Republican candidates in the November 8 election, saying its promise of tax cuts without offsetting spending cuts did not add up to a balanced budget

Mr Ray LaHood, a Michel aide who won his seat representing Peorla, Illinois, was one of the few Republicans who did not sign the contract.



Deaths mount as S African taxi drivers wage war

The killing of five people in Hammanskraal, north of Pretoria, yesterday during a shoot-out between South African police and warring minibus taxi operators has added to a taxirelated death toll that has started to claim more lives than political violence.

Despite calls for calm from the government and repeated attempts by Mr Mac Maharaj, transport minister, to broker truces between rival groups, fierce competition over lucrative routes around the country has resulted in an unsurge in violent confrontation, with hapless commuters caught in the cross-

Police say that 200 people have been killed this year and more than 110 injured as a result of clashes between opposing taxi organisations, dubbed locally as "taxi wars".

In large part this reflects the fact that taxi groupings are increasingly taking on criminal characteristics as shadowy operators hire hitmen to kill their rivals and destroy their vehicles. A report on the issue by the South African Police Services, submitted to parliament ear-lier this month, concludes that the situation is likely to deteriorate further unless there is an immediate clampdown on lawless elements in the indus-

Taxi associations have developed a distinctive, Mafia-like character to reach economic objectives and to counter economic threats. They frequently strengthen their power bases by using armed units which have no qualms about using violence and com-mitting murder." tha police report

The spark for this year's sudden

lapse of the South African Black Taxi Association in September 1998. Up to that point Sabta, which was formed in 1986, had been able to act as a loose umbrella for the industry's many regional associations.

PARTIE TIME

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It had managed to sort out many con-

flicts internally. But even if an attempt, currently under way, to revive Sabta is success ful, it leaves unresolved the underlying economic causes of the conflict.

when the minibus industry started in the early 1980s if was hailed as an example of successful black entrepreneurship and by 1990 had managed to claim 44 per cent of the black commuter transport market Since then the situation has changed

Although no accurate figures of its size exits, analysts estimate that the industry is worth somewhere between

R5bn and R8bn (£909m-£1.45bn) and employs more than 70,000 people as drivers and ancillary workers. However, since 1990 the number of taxis has continued to grow while the number of commuters has aropped slightly because of the recession.

The result is a classic case of an overcrowded market there are too many taxis and too few commuters.

The obvious solution for the government is to impose strict regulation on the industry, contailing the number of

operators on big routes.

However, Mr. Maharaj is constrained by the fear of causing further job losses and concern that tighter regulation will . merely increase the number of pirate faxis in operation. This would exacer-bate the violence rather than help elim-

Financial teams set out to win converts

South African officials set ont for the world's financial centres today to prepare for a return to foreign capital markets after a two-year absence, finance minister Chris Liebenberg said yesterday, Reuter reports from

Johannesburg. He emphasised the mission was not designed to raise funds yet, but to pave the way for future funding when

appropriate. He said the high-powered roadsbow was the first opportunity the government, which took power after the country's first all-race elections in April, had had to go abroad to market the country's policies and philosophy.

The officials would use the credit ratings assigned to South Africa in October by American and Japanese risk

assessment agencies "to establish ourselves in the minds of potential investors" Moody's Investors Service and Nippon Investors Service gave the country investment grade ratings, while Standard & Poor's gave it its top

speculative ranking, with a positive" outlook. The ratings will enable South Africa to tap a wider range of markets and .

investors than would otherwise be possible Mr Liebenberg said three teams of officials would travel to Europe, east Asia and the. **US. Apart from Mr Liebenberg** they would include Reserve Bank governor Chris Stals, deputy finance minister Alec

Erwin, and labour minister The officials would be

tatives of Goldman, Sachs and Swiss Bank Corporation, which have been named lead managers for the country's

first global offering.
The national budget for the 1994/5 fiscal year ending in March provided for RI.8bn (£327m) in possible foreign oans, but Mr Liebenberg said South Africa did not need to berrow abroad to meet the

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Quebec separatist ardour cools

which Quebec's newly elected separatist government has pounced on to promote its case for independence from Canada.

The steadily growing list comes as no surprise. Political Observers predicted in the wake of last September's election that the Parti Québecois would waste no time shaking every tree it could to prove that the francophone province was getting a raw deal from

the rest of the country. The surprise is that the shaking has so far borne little fruit. The skirmishes have generated endless articles in the Quebec media about alleged slights and inequities. On several occasions the PQ has succeeded in putting the federal government in Ottawa oo the defensive.

However, Québecois appear to be unimpressed. According to the latest opinion poll cooducted by Leger and Leger of Montreal, support for sovereignty (which, in the Quebec context, has the connotation of "soft" form of independence) bas slipped to 40 per cent from more than 50 per cent before the election. Other polls put the number as low as 33 per

The issues which the PQ has seized on in the past two months illustrate both the opportunities and the pitfalls

of beating the separatist drum. Even before taking office the PQ kicked up a storm over a federal plan to trim defence spending by closing the College Militaire Royal at Saint-Jean, south-east of Montreal.

A military college, a trade mission to China and an cilling St Law-the past few months have among the disparate issues failed to produce the desired which Quebec's newly elected results, writes Bernard Simon

> The college is the armed nesses sort out their own prob-forces' only training centre for lems, has so far declined to forces' only training centre for French-speaking officers.

Qoebec's protests bave forced Ottawa to offer a compromise, which would allow the facility to stay open as a language school. The PQ has rejected the proposal. It has offered instead to pay itself for St-Jean to remain a military training college. But by doing so it has laid itself open to con-cerns that it is preparing to organise a Quebec army.

On another front, Mr Jacques Parizeau, PQ leader and premier, refused to join a trade mission to China earlier this month which was led by prime minister Jean Chrétien and included the premiers of all nine other provinces.

Mr Chrétien at first appeared

on the defensive by refusing to accept Mr Parizeau's suggestion that Quebec's deputy pre-mier go in his place. In the end, bowever, the mission's success - including contracts signed by several high-profile Quebec companies – did the eparatist cause no good.

The latest fuss has erupted over the future of MIL Davie, a Quebec City shipyard. The company is on the point of collapse, unless it receives new government contracts or an infusion of cash for a modernisation programme.

Tha cash-strapped federal government, in keeping with a policy of letting troubled busi-

come to the shipyard's rescue. The PQ has lambasted Ottawa for putting 2,300 Quebec jobs in jeopardy, and has offered to put up C\$60m-C\$70m (£28m-£32.7m) of its own tax-payers' money for a new ferry, which would keep the shipyard in business for at least the next few years. Mr Michel Vennat, a

lawyer who heads the Council for Canadian Unity, says that "the population knows that they [the PQ] are fabricating these issues to some degree. I don't think the mood of the province is to pick fights."

nother observer suggests that Québecois are as fed up as English-speaking Canadians with the interminable debate over the francophone prov-ince's place in Canada. This view is reflected in the refusal of both Mr Chretien and the provincial Liberal party, which was defeated in the recent elections, to assuage Quebec nationalism by reopening the constitutional talks which have been a hallmark of Canadian politics for the past

Despite his apparent inabil-ity to win converts to independence, Mr Parizeau has so far stuck to his pre-election prom-ise of a sovereignty referen-dum before the end of 1995. The PQ is gearing up its organ-

isation for a campaign starting early next year. But there is a growing feel-

ratists may be forced to change tack if the confrontational tactics of the past few months fail to produce results soon.

The party has long been divided between hardliners and those who favour a more cautious drive towards independence. Among the latter is Mr Lucien Bouchard, leader of the Bloc Québecois, which represents the separatist cause in the federal parliament. Mr Bouchard, the most popular politician in Quebec, has already hinted he is uncomfortable with the referendum dead-

line set by Mr Parizeau. However, a shift in strategy would require some agile footwork by Mr Parizeau, and could risk deepening divisions in the party. The alternatives include delaying the referendum, or framing the question so vaguely that even a Yes vote would fall far short of a mandate for outright indepen-

Some political observers suggest that the PQ may even adopt a more conciliatory approach to the rest of the country. This prediction is reinforced by the impression that last September's election result reflects Québecois desire for better government and some extra areas of provin-cial jurisdiction, rather than

the risks of independence. Whatever course the PQ chooses, one conclusion is hard to escape. It seems increasingly unlikely that Canada's most vexing question - will Quebec stay or leave? - will be conclusively answered within the next 12 months.

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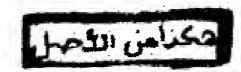
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By Roderick Oram,

A Commons committee of MPs yesterday rejected on economic and health grounds a call by brewers to haive beer duty to curb cross-Channel imports and stimulate flag-

The Treasury select committee argued. said imports of alcohol and tobacco were "not eeriously undermining receipts of excise duty". But it cau-tioned Mr Kenneth Clarke, the chan-

cellor, against widening the differential between UK and Continental

The MPs' report on cross-Channel shopping expressed doubt about the brewers' case. They had argued that the loss of UK beer sales was damaging pubs and off-licences. A cut in duty would revive sales, they

Cross-border shopping is "clearly having a serious impact on the activities of legitimate traders," the MPs said. But "changing consumption

patterns, however, make it exceed-ingly difficult to isolate the loss of sales directly attributable to crossborder shopping". Claims that there is a link "have to be treated with

considerable caution". Moreover, brewers' costs and margins have driven up the price of beer, the MPe said. "Until it addresses these issues, the industry cannot expect the taxpayer to subsidise its operations by reducing excise duties."

On health grounds, a government

could never consider a large cut in duties if they led to increased consumption of alcohol and tobacco, the MPs said.

They recommended, instead, that the government seek to persuade Continental governments to raise their taxes to make cross-border ehopping less attractive.

The report drew an angry response from Whithread, one of the brewers which has been leading the

"They're a set of wisby-washy

recommendations from a rushed inquiry which failed to get the facts," said Mr Peter Jarvis, chief executive.

The government has already said it is unwilling to cut excise duties. The chancellor indicated in last year's Budgets that alcohol duties were unlikely to rise faster than .

The MPs found a closer link between tobacco imports and damage to the domestic industry, most particularly in tobacco for hand-

rolled cigarettes. Tobacco accounted for the "vast bulk of smuggled goods" and the high profits had attracted "serious criminals".

The MPs recommended that the Customs service deploy "substantially increased" staff to try to stem the illegal import of alcohol and tobacco.

The National Union of Civil and Public Servants warned yesterday, however, that the Budget next Tuesday would include proposals to cut 4,000 jobs out of the service's 25,000.

Adams steps up pressure for talks

PERSONAL PROPERTY.

Mr Gerry Adams, the Sinn Fein president, has stepped up his efforts to force the pace of the Northern Ireland peace process. He sent a letter to Mr John Major setting out his agenda for talks between the British government and Sinn Fein, David Owen and John

Morray Brown write. He said he had written to the prime minister to ensure there was no confusion or time lost over arranging such matters as delegations, venues and times". He added: "All of these issues can and should be sorted out now."

Downing Street yesterday confirmed that Mr Major had received the letter but officials were not sure whether he had had time to study it. They said. the government would move ad with talks "at the pace it. determined to be correct"

Ministers have said a pretim-inary dialogue with Sinn Fein would begin before Christmas, provided the near three-monthold IRA ceasefire held. Talks with loyalist political represen-tatives would start soon after-

Mr Adams told Downing Street that the Sinn Fein team in the talks would be led by Mr Martin McGuinness, a vice-president. He said that the ground to be covered should. include "demilitarisation and

A week ago Mr Adams accused tha government of tragging its feet on efforts to forge a lasting settlement in

the province.
Yesterday Mr. Pat Doherty,
another Sinn Fein vicepresident, speaking at Dublin's Forum for Peace and Reconciliation, called on both London and Dublin to convene all-party talks to find a settle-

Fine Gael, the Irish republic's main opposition party, said explosives and guns had to be decommissioned before full political talks involving Sinn Fein could start:

Company failures continue to fall

Company failures continued to fall in the third quarter, figures from KPMG Peat Marwick, the accountancy firm, show. A total of 6,140 bankruptcies was recorded in the quarter, a fall of 14.4 per cent compared with the same period last year. Liquidations fell 15.3

it to 3,6 The recovery recorded by KPMG is not even across the country. The north-east saw a fall of nearly 20 per cent in liquidations between the second and third quarter while the Midlands and north-west saw increases.

Mr Tim Hayward, head of corporate recovery at KPMG, said: "A year ago the recovery was at a very fragile point; there is a more robust feeling in the economy now and companies, with the support of their banks, are gearing up for an improving economy.

Buckingham Palace is to pubpublished in July.

This follows a call by ths

Gas boss's pay 'adds £1.6m to pension cost'

By William Lewis

The £205,000 pay rise recently awarded to Mr Cedric Brown, chief executive of British Cas, has increased the cost of providing him with a company pension by about £1.6m,

according to a study. Mr Bryn Davies, an actuary who advises trade unions on company pension schemes, said the current value of Mr Brown's future pension payments was £3.9m, compared rith £2.3m before he received the 75 per cent rise in basic

pay.
Mr Davies said: "The value of his expected pension, like his pay, has gone up by more than 70 per cent. I have calculated that his pay increase has pushed the worth of his pension benefits up by a further

Details of Mr Brown's pay rise emerged last week. His basic pay has been increased to £475,000 from £270,000. Other executive directors of British Gas received rises of up to 50

Mr Brown is a member of the British Gas staff pension scheme which provides pensions depending on members' earnings just before they

Mr Davies's calculations assums that Mr Brown, 59, will retire in just over two years' time. British Gas said that he had at least 35 years' pension

Mr Brown contributes 4 per cent of his basic salary into the scheme each year, so his £205,000 pay rise means he will be paying more into the pen-

sion fund. Asked to comment on Mr Davies's calculations, British Gas said yesterday that Mr Brown was a member of "a group pension scheme with a common contribution rate so we do not define the costs for

Sir Anthony Beaumont-Dark, chairman of TR High Income Trust which holds 400,000 British Gas shares, said he would be writing to British Gas asking for an explanation for the increased pension costs.

He said: "If we do not get a satisfactory response then we will consider using our votes in the appropriate manner at the company's annual general meeting.

Trade union officials representing industrial workers at British Gas have submitted a claim for a pay rise next

year.
Mr Donald Macgregor, a
senior GMB union official, said
yesterday that it was likely that Mr Brown's pay would affect of negotiations. He said: "It is inconceivable that such over-the-top treatment for a chief executive can be ignored by industrial employees.



Greenpeace protesters yesterday tried to stop the nuclear enbmarine HMS Vanguard from leaving its dock at Faslane near Glasgow as it was moving to a nearby dock at Coulport to have its Trident II nuclear warheads loaded for the first time, Bernard Gray in Faslane

A Greenpeace tug. Solo, and inflat-able rafts tried to block Vanguard's path through a narrow channel in Gare Loch, which leads into the river Clyde. The protesters also attempted to tie a fishing net across the bows of the submarine. The net was removed by Vanguard crew members (above).

Vanguard, Britain's first Trident submarine, was en route to Britain'e main nuclear weapons storage base at Coulport. The submarine has completed its trials and nuclear warheads are being

Trident submarine escapes protest net

its first deterrent patrol due to start in the next few weeks.

A small group of anti-nuclear protestors also demonstrated ontside the gates of the Faslane submarine dock as Vanguard began its early morning voyage which marked the start of its effective operational deployment.

To load the warheads on to Vangaard's missiles, the 16,000-tonne submarine, which is almost as large as the Invincible class aircraft carriers, will

added to its missiles in preparation for be raised out of the water on a giant 85,000-tonne floating dock and shiplift. Raising the boat will take several

> The delicate task of fitting the war-heads will begin today and last until the middle of next week. The floating dock and shiplift are needed to provide maximum stability and to avoid an accident while loading the plutonium-

powered, thermo-nuclear bombs. After completion of final tests once the warheads are fitted, Vanguard will

begin its first operational patrol, repla-cing one of Britzin's two remaining Polaris nuclear submarines.

Cmdr Peter Wilkinson, who will captain Vanguard's first patrol, said he was "well aware of the awesome responsibility which [he] carried. He added that in spite of the end of the cold war the nuclear deterrent fleet carried out its mission exactly as it had.

Cmdr Wilkinson acknowledged, however, that following an agreement between Mr John Major, the prime minister, and President Boris Yeltsin of Russia, the submarine's missiles were aimed on an empty spot in the ocean. Switching the missiles to military or civilian targets would take "a finite amount of time". Just how finite

SPOT THE REFUGEE

There he is. Fourth row, second from the left. The one with the moustache. Obvious really.

Maybe not. The unsavoury-looking character you're looking at is more likely to be your average neighbourhood slob with a grubby vest and a weekend's stubble on his chin.

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We're not even asking for money (though every cent certainly helps). But we are asking that you keep an open mind. And a smile of welcome. It may not seem much, But to a

UNHCR is a strictly humanitarian organization funded only by voluntary contributions. Currently it is responsible for more than 19 million refugees around the world.

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Postal sell-off lacked fan mail

By David Owen

Only a small fraction of responses to the government's consultation paper on the Post Office were in favour of privatisation, Mr Tim Eggar, indus-try minister, disclosed yester-

day. Mr Eggar said in a parliamentary written answer that about 60 responses - or less than than 0.4 per cent of the 15,400 received - were "posi-tively in favour" of full or partial privatisation.

He said most replies took the form of "standard form" letters and postcards issued by organisations campaigning against the government's proposals. Ministers were forced this

month to cancel plans to pri-vatise the Royal Mail letters division of the Post Office because of the implacable opposition of a small number of Conservative backbenchers. Mr Eggar was replying to a question by Mr Gordon Prentice, Labour MP for Pendle. Labour has indicated it intends to inflict fresh embarrassment on the government by inviting Tories who opposed a sell-off to back a Commons motion giv-

ing the Post Office greater

Fayed cleared over allegations of blackmail By John Mason, the commission of any crimi-

Law Courts Correspondent

Mr Mohamed Fayed, chairman of Harrods, was cleared yesterdsy of allegations that he attempted to blackmail the government in the controversy over MPs accepting money to ask parliamentary questions.

The Crown Prosecution Service announced there was no evidence Mr Fayed had committed any criminal offeoce. and that police would not investigate further. The allegations centred on a

meeting on September 29 between Mr John Major, the prime minister, and an intermediary - widely believed to be Mr Brian Hitchen, the Sun-

day Express editor.

The intermediary said Mr
Fayed wanted a meeting with Mr Major to discuss ths Department of Trade and Industry report on the take-over of the House of Fraser. He was also said to be contemplating passing on allegations about the conduct of ministers. Mr Major told MPs he had passed a note of the meeting to the prosecution service.

The CPS said: "Having considered the available evidence . . . it does not disclose

nal offence by Mr Fayed." Mr Fayed, who later made a series of allegations about Tory MPs through The Guardian

newspaper, said: "Allegations were made about me...that were unfair and untrue and to which I could not respond during the currency of the inquiry. I trust that the prime minister will take the earliest opportunity to set the record straight." Mr Fayed's cash-fnr-ques-

tions claims against Mr Neil Hamilton, corporate affairs minister, forced him to resign although he denied the allega-tions. They also led to the res-ignation of Mr Tim Smith, a junior Northern freland miniser, after he sdmitted not declaring links with Mr Fayed.

Mr Michael Howard, the home secretary, and Mr Jona-than Aitken, chief secretary to the Treasury, were both cleared of any impropriety by an inquiry carried out by Sir Robin Butler, the cabinet secretary. Mr Peter Preston, The

Guardian's editor, said: "I never thought there was anything to this except another wild diversion - I am glad this has now been acknowledged."

Royal household to publish accounts

lish annual accounts detailing how £20m of taxpayers' money is spent running royal palaces. The first annual report will be

Commons public accounts committee in September for greater "public visibility" of how public money was spent at the royal palaces. Yesterday

the royal palaces. Yesterday
the government recommended
publication of the royal household's annual accounts.

The palace said the royal
household had nothing to hide
and would be delighted to publish a full annual report.

Judge lets Lloyd's probe continue

By John Mason, Law Courts Correspondent

Regulstors from Lloyd's, the insurance market, can continue with their loss review into syndicates 80 and 843, a High Court judge ruled yester-

Mr Justice MacPherson dismissed an spplication by Mr John Macmillan, the former underwriter for the syndicates. for the review to be stopped. Mr Macmillan said that if the

loss review continued, it would prejudice the civil case brought by Names - the individuals whose assets bave traditionally supported the market against his managing agency. RAF Macmillan He said transcripts of his interviews could be used as evidence in

The judge ruled, however, that the public interest in the

Lloyd's of London has appointed Mrs Rosalind Gilmore, chief executive of the Building Societies Commission, as director of its regulatory services department, Ralph Atkins writes. Mrs Gilmore, who has previously worked at the Treasury and the World Bank in Washing-

ton, will be responsible for overseeing Lloyd's system of self-regulation. The 200-strong department also oversees litigation - s sensitive issue given that Lloyd's is embroiled in several legal disputes with lossmaking Names.

Lloyd's would not comment on her salary, but sccording to the insurance market's latest annual report her predecessor earned between

Names on the two syndicates

are suing the managing agents

£130,000 and £140,000 last year, including performance related bonuses and other benefits. A spokesman at the Building Societies Commission, the statutory regulator and supervisor of UK building societies, said Mrs Gilmore's current salary was a little over £60,000. At the Treasury Mrs Gilmore ran the finan cial institutions division that was responsible

for legislation including the 1979 Banking Act. She was appointed a non-executive member of the Securities and Investments Board last year. Mrs Gilmore succeeds Mr Bob Hewes who was appointed Lloyd's finance director earlier this year.

review being completed out-weighed any possibility that for negligence over losses sus-tained in the 1988 year of the civil action might be prejuaccount. They are claiming diced. He said there was no damages of £20m The review into eyndicates risk of serious prejudice being caused and that publication of the interviews might assist all concerned in the action. About half of the 1.050

80 and 843 is expected to bs completed and published early in the new year.

The ruling provides Lloyd's with general guidelines about

proceeding with other loss

running in parallel. The judge said issues of possible prejudice would have to be considered in each case. The loss review department

ls carrying out seven Lawyers for Mr Macmillan

reviews when legal actions are

were yesterday considering an appeal against the ruling.

FINANCIAL TIMES WEEKEND NOVEMBER 26/NOVEMBER 27 1994

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Adams

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for talks

Gerry Adams, the president, has say

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Collapse of bus group prompts MMC probe

lies inquiry in the north-

He said: "Our aim is to

increase bus usage by improving the service quality for passengers. We do this by

investing in new buses, offer-

ing a comprehensive network

and introducing new services

The OFT said the investiga-

tion would look at competition

Tyne and Wear, County Dur-ham and Cleveland following

complaints from other bus

The allegations include predetory pricing and putting excessive numbers of buses on

a particular route to force com-

petitors to withdraw from the

market in Darlington and

that [the Busways' free fares]

offer may have contributed to

the decision of Darlington

Transport to cease operating.

Efficiency of operation should

determine who should provide

the service, not possession of

the resources to oust competi-

Mr David Walsh, chairman

of Cleveland County Council's

transport committee, called for

a meeting of local bus compa-

nies to avoid "a full-scale bus

If the MMC finds that there

is a monopoly which acts against the public interest Mr

Heseltine has the power to

order the abuses to be reme-

died or to ask the OFT to

obtain undertakings from the

Sir Bryan eaid: "I believe

operators about Busways.

and selective discounts

and Chrie Tighe

The Monopolies and Mergers Commission is to investigate bus eervices in the north-east of England after the collapse of the municipally owned Darlington Transport two weeks

Sir Bryan Carsberg, directorgeneral of fair trading, yesterday called for an investigation services in the area. The commission will have six months to make its report to Mr Michael Heseltine, trade and industry secretary.

The Office of Fair Trading emphasised that the investigation would look at all bus services, but Sir Bryan said he was particularly concerned about an offer of free fares by Busways Travel Services, part of Stagecoach Holdings. This was one of the reasons for the demise of Darlington Transport, which is in administra-

The monopolies review represents another clash between Stagecoach and the competition authorities over the taccompany to further its ambitious expansion plans.

The OFT has launched a number of investigations into potential monopolies in the bus system since the de-regulation of the industry outside London in 1985. Stagecoach, the biggest UK bus operator, has been subject to 20 investigations and received three dverse rulings.

Mr Brian Souter, Stagecoach chairman, denied that the comchairman, denied that the company was anti-competitive and offending company that it will not be repeated.

merger supported

By Jim Kelly, Accountancy Correspondent

proposals for the restructuring of the accountancy profession yesterday won support from surveys of two of the leading representative bodies. Research by the Institute of

The controversial Bisbop

Chartered Accountants in England and Wales showed that 73 per cent of its members were in favour of merging some of the six professional bodie

In order to achieve reorganisation, 58 per cent were will-ing to share the respected title of "chartered accountant". The strongest opposition came from recently qualified mem-

The Chartered Institute of Management Accountants (Cima) will publish a survey on Monday showing that 90 per cent of its members want to see a reduction in the num-

A similar proportion want the current negotiations under mittee chaired by Mr David Bishop to continue.

Both surveys, while indicating support for ending the confusion and rivalry between the six bodies, point to some obstacles ahead Mr Roger Lawson, president

of the chartered institute, said the concerns of younger mem-"They are looking for further reassurance, particularly in the area of education and training, before they will willingly share the title of chartered accountant," he said. The Cima survey shows that

74 per cent want to make sure the audit profession does not dominate menagement accounting in any new institute. And 59 per cent said they would wish to be called chartered management accountants after restructuring.

last year, although 13.2 per

cent said revenues had

Business travel was the main

reason for the revenue rise. Three-quarters of hoteliers said

business travel revenues were

Fewer than half reported a

rise in revenues from leisure

higher than last year.

Accounts Tackling the numbers problem bodies' Lim Kelly on the profession's troubled search for cohesion

Jim Kelly on the profession's troubled search for cohesion

To the public, accountants ere all the same. Prcof of this can be seen on a video being shown et a series of accountancy con-

In it people are waylaid in the street and asked what they know about accountants. The answer is very little, beyond a vague idea that the "chartered" ones ere trained.

Given this public perception of unity it is ironic that the profession is spending a great deal of time and money trying to achieve a cohesion most people think it already has.

But leaders of the profession are worried that this vague recognition is not enough. They want a "single volce". and e strong lohhying group, to fight against government intervention and steer the profession towards unity in the next

The present structure of the accountancy profession is any-thing but uniform. There are six professional bodies, six presidents, different training schemes, different qualifications, different headquarters, and different styles.

As Mr Tom Glancy, president of the Chartered Institute of Management Accountants. told e meeting in Solihull earlier this week on proposals to merge the bodies: "It'e like six cats hissing over their terri-

The meeting was one of a series of "pan-professionals" discussing broad proposals for merger, common qualifications, and training.

The mood of the meeting which was probably more positive towards merger than others beid in London and Leeds - was best summed up hy Mr David Bishop, the chairman of the working party which produced the prin-

where we are. We can agree on where we want to go. What we can't agree is how to get

He said; "We can't stay

By the end of the meeting there was widespread agreement that accountants differed

per cent. Although 31.2 per cent of hoteliers said they

expected employee numbers to

rise in the fourth quarter the

proportion expecting to cut

of establishments planning to

reduce etaff numbers was

partly seasonal, hoteliers were

staff rose to 23.4 per cent. The consulting group said that while the high proportion



Losing count: An accountant reflects the mood of the profession at a meeting to discuss reform

more within their separate organisations than between hem. The principle of rationalisation seems to he widely accepted. The details may yet prove intractable.

Mr Roy Loader, a former west Midlands president of the Institute for Chartered Accountants in England and Wales, said that keeping up standards was the big issue. There might be a "dilution" of standards in

This produced the most awkward moment of the evening Heads were shaken in embarrassment and eyes turned heavenwards. Mr Bishop, a certified accountant and a member of the Financial Reporting Council, pointed out: "We have been developing these stan-

Mr David Delve, a practitioner from Birmingham, complained that the process had been "top down and not bottom up. I can see nothing in it for me - am I missing some-

Mr John Sarrington, a management accountant from Corby, said: "Will the remaining bodies go on if one of the bodies says no?" Mr Bishop inted out that "they are still all at the table".

Mr Bob Fisher, e chartered accountant from Solihull, said a better job was needed on proaganda as members had been allowed to "wallow" on the issue. "If we don't get together we shall fail the future and fail our country," he said. Mr Martin Heathcock, from Stourbridge, a chartered accountant with a certified accountant as a partner, said: "I am very much in favour of these proposals." He won the loudest applause of the even-

Mr Mike Robinson, from Wolverhampton, immediate past president of the chartered institute'e district branch, said the damage had been done by the press, which portrayed the so-called Bishop plan as dead.

A warning was left by Mr Michael Heseltine, secretary of state for trade and industry, whose booming voice overlays the beginning of the conference video, exhorting accountants to speak with a single voice but adding with exasperation: "I have been saying this

Labour attacks 'covert' links

By Jimmy Burns.

The Labour party yesterday accused the government of "covertly encouraging" business links between Britain and Iraq in violation of the United Nations sanctions regime.

Mr Jack Cunningham,

shadow trade and industry secretary, said: "We know that a number of British busines have encouraged fraqi industrialists to talk about contracts. All this seems to be an abuse of UN mandatory economic sanctions against Iraq." Mr Cunningham

Joh

responding to a report in yesterday's Financial Times that British companies were preparing - with the approval of the Department of Trade and Industry - to resume trade with President Saddam Hussein'e regime when sanctions are lifted.

The DTI has issued licences to the British organisers of two trade fairs in Baghdad due to start tomorrow. The DTI said last night that it had issued the licences to allow the companies to talk to the Iraqis about humanitarian aid. "We consider this falls within the boundaries set by the UN sanctions regime," a spokesman

Other government departments yesterday distanced themselves from moves to build stronger trade links with Iraq. The Foreign Office said that Mr Stephen Crouch, the director-general of Iraqi British Interests Group, a commercial lobby association, did not represent the government'e posi

Mr Crouch was in Jordan on September 3 with Mr Henry Bellingham, the parliamentary private secretary to Mr Malcolm Rifkind, defence secre-

Mr Michael Colvin, chairman of the Conservative foreign affairs committee, said yester-day that he had met Mr Crouch "two or three times" and that he had given informal advice to him relating to UN senctions He said: "What I have been

saying to Crouch is build up

Iraq if you want, so when sanctions are lifted you are in a position to go." Reports of these growing

business links drew an angry response from the Iraqi opposi-

Mr Hoshya Zebari, an executive council member of the Iraqi National Congress, the main opposition grouping. said: 'Trade delegations by British and other European businessmen are very detrimental to the cause of the majority of the Iraqi people. This kind of business-as-usual with "key interests to make attitude has encouraged Saddam to go to war in the past."

Hotels find room for optimism

dustries Correspondent

The confidence of boteliers markedly in the third quarter, boosted by an increasingly optimistic outlook in Northern Ireland. according to BDO Hospitality

The proportion of boteliers optimistic about the next three months rose to 80.5 per cent, were ahead of the same period third quarter but fell in 14.5 periods.

compared with 73.8 per cent in the second quarter.

The consulting group said the figures had been lifted by the ceasefire in Northern Ireland. All respondents to the survey in Northern Ireland said they were optimistic. More than three-quarters of

UK hoteliers said they expected to increase their room rates Most said their revenues 30.3 per cent of hotels in the lay employees off during slack

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BUSINESSES FOR SALE

CALL FOR EXPRESSION OF INTEREST FOR THE PURCHASE OF THE GROUPS OF ASSETS OF LN. STASINOPOULOS A.E.B.E

of Athens, Greece

"ETHNIKI KEPHALEOU S.A. Administration of Assets and Liabilities", of 1 Skouleniou Str., Athens, Greece, in its capacity as Liquidator of " I.N. STASINOPOULOS A.E.B.E", a Company with its registered office in Athens, Greece (the "Company"), presently under special liquidation according to the provisions of Article 46s of Law 1892/1990 by virtue of Decision 5069/94 of the Athens Court of Appeal, invites interested parties to submit within twenty (20) days from the publication of this Notice, non-binding written Expressions of Interest for the purchase of one or

BRIEF INFORMATION

The Company was established in 1953. In 1978 it became bankrupt and on 3.11,94 is was placed under special liquidation according to the provisions of article 46s of Law 1892/1990. Its objects included the production of pipes and metal constructions. GROUPS OF ASSETS OFFERED FOR SALE

A factory, standing on a plot of 13,064 sq.m. locuted at "Vouno" or "Hamosterna" in the Moschato Muncipality between the following streets: Levidi, Xyoo, Handri and 245 Piracus Str. The plant's machinery and mechanical equipment, as well as the Company's trade name are also included in this group of assets.

 A factory, standing on a plot of 3,438 sq.m. also located in the Monchato Municipality, between Leftas, Handri and Cyprus streets, together with the machinery and mechanical equipment contained in it. It should be noted that both of the above factories are being rented by third parties since

SALE PROCEDURE

The sale of the assets of the Company shall take place by way of Public Auction in accordance with the Provisions of Article 46a of Law 1892/1994, as supplemented by art.14 of Law 2000/1991 and subsequently amended and the trans set out in the Culf for Tenders for the purchase of the above assets, to be published in the Greek and foreign

OFFERING MEMORANDUM - INFORMATION

For the automission of Expressions if Interest, as well as in order to obtain a copy of the Offering Memorandum for each of the above groups of assets, please contact the Liquidator "ETHNIKI KEPHALEOU S.A. Administration of Assets and Liabilities" 1 on Str. 105 61 Athens Greece, Tcl.-30-1-323.14.84-7, fax: +30-1-321.79.05 ation Mrs. Marika Fungakin) or the Liquidator's agent, Mr. George Gra momon Scc. (66 & Amens, 1814-90-1-33008.74

CORRECTION OF INVITATION TO TENDER FOR THE HIGHEST BID FOR THE PURCHASE OF THE GROUPS OF ASSETS OF "METALLURGIKI HALYPS SA" OF ATHENS GREECE

The above mentioned invitation to Tender for the Highest Bid for the Purchase of the groups of Assets of "METALLURGING HALYPS SA" which was published in the same newspaper on 4th and 5th of November 1994 is hereby corrected concerning the brief description of the 2nd of the groups of assets

2. OTHER ASSETS. These include the following: a. A storage building of 1,500 m² and the 1/4 pro-indivise of other 2 storage buildings of 1,965 and 1,000 m², respectively, which are "separate vertical pro-indiviso properties" standing on a plot of land of 7,980 m² located in the Local Authority of N. Menemeni, Thessaloniki.

b. Agricultural plot of land amounting to 12.875 m² at Simendra of Local Authorities of N. Moudania, Challddild, and o. Agricultural plot of land amounting to 4,312 m² in the same area as plot (b).

Disabled may get cash in lieu of community care could pave the way to a more

By Andrew Adonis **Public Policy Editor**

The government vesterday announced plans to devolve some of the funding for disabled people from local authoriallowing them to purchase their own care for the first

Mrs Virginia Bottomley, health secretary, said cash pay-ments would initially be limited to "e relatively email group, probably those disabled people who are able and willing to manage their care". The devolution of funding

radical shift of funding as an extension of the government's care in the community The funding proposal follows

the announcement earlier this disebled people against discrimination at work. Mrs Bottomley said the funding legislation would be permissive, enabling but not oblig-

ing local authorities to make direct cash payments to some disabled people in lieu of

community care.

She said: "Direct payments are a logical extension of the will require legislation, and Citizen's Charter. They will

give disabled people greater independence and choice and involve them and their carers more fully in their own care." She conceded, however, that the making of direct payments

"carried some risks". Local responsibility for deciding whether to make payments. "There will be no overlap with social security benefits," she

The health department refused to be drawn on the amounts it would like to see devolved to individuals, stressing that it still had to consult sure the details are right".

contacts with businesses in

Moves to cut London Jobcentre staff

By Robert Taylor,

Staff in the government'e employment service in London and the south east are being urged to take unpaid leave over Christmas or cut their working hours because of overspending in the service's budget and the drop in the volume of work because of falling unemployment.

Mr David Lifton, the service's deputy regional director, says in a letter to 11,500 Jobcentre staff that the situation

the leading family brewers of

the 20th century.
While typifying the old fam-

ilv brewer of an earlier age - a

landowner with a love of hunt-

ing, shooting and riding - he

took his family business into a

more modern age with a jolt in

As chairman of Whitbread &

Co from 1944 to 1971 he reor-

ganised the company's anti-

quated financial structure and

devised a shareholding for-

mula, based on A and B shares

and a separate investment

company, which preserved

family control while providing

for the injection of much-

He invented the "Whithread

umbrella", a series of equity

capital exchanges which

enabled more than 30 family

brewing companies threatened

by takeover to shelter under

Whitbread's wing. Later, when

circumstances forced the aban-

donment of the umbrella he

led his company in a deter-

the 1950s and 1960s.

needed capital.

Colonel Bill Whitbread, who mined strategy of acquisition, has died aged 93, was one of rationalisation of productive

OBITUARY

has arisen "because the numbers of unemployed in the region have fallen much faster than anticipated".

Mr Lifton tells staff that the service will have to shed staff because of the continuing fall in unemployment. He adds that the service has laid off 750 casual staff as a cost-cutting measure but is

replacing them with staff from offices outside London who are staying at hotels and given travel allowances and £20 per day expenses. The abolition of casual

capacity, and the establish-

ment of national beer brands.

Trent (1921-23), then worked at Fisons' Thetford maltings

before going to Whitbread

beadquarters at Chiswell

He became a managing direc-

tor in 1927 and served on the

board until 1979. The year 1927

was significant for the com-

pany bacause Whitbread

embarked on a big expansion

in south-east England by

acquiring three Kentish brew-

eries and the Mackeson stout

vice during the second world

war weakened the company's

His absence on military ser-

brand.

Street, London, in 1924.

worker contracts is aimed to contain spending and match staff levels more closely with workloads. Paid overtime has also been ended.

The London and south east region is offering a number of options for staff who might be considering work breaks or a reduction in their working hours. This can involve unpaid leave from December 5 to January 5, unpaid leave during January to March, or a cut in hours and/or the possibility of

a job share. A spokesman from the

Department of Employment said no other region was suffering from the same problem as London and the south east. Mr Ian McCartney, Labour's. shadow employment minister, accused Mr Michael Portillo. the employment secretary, of being "unable to manage the

spending of his own depart-He said: "It seems to be a complete shambles. There must be a full, frank and public explanation about how this farce has been allowed to come

Bill Whitbread: leading brewer

brewing was required to main-tain its output with depleted manpower and depreciating Whitbread was the greatcapital resources. great-great grandson of Samuel It was in the difficult post-Whitbread, who founded the company in 1742, and the son of H.W. "Harry" Whitbread. Educated at Eton and at Corwar years that "Col Bill" came into his own. In 1948 he steered through the reorganisation of the company's capital. A quarter of the equity was placed on pus Christi Cambridge, where he studied history, he trained the market by Barings and Schroders. Six years later Whitbread Investment, a as a brewer at Truman Hanbury Buxton in Burton-upon-

wholly owned subsidiary, was astablished to acquire the umbrella shareholdings. This became the vehicle for the directors' retention of a controlling interest in the expanding company Described by the company's

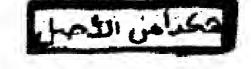
historian as a "fireball". Whit-bread could be impatient and rude. Perceptive about the industry, but strongly wedded to family loyalties and pater-nalism, he needed a foil. This he found in F.O.A.G. "Alex" Bennett, who succeeded him as chairman in 1971.

The Whitbread-Bennett part-

management when British nership set the company on the right road in the turmoil of mergere and acquisitions which characterised the industry from the late 1950s to the early 1970s.

Under Whithread the company was transformed from a relatively small, under-capitalised concern - in spite of its claims to "national" status – to one of Britain'e big six brewers. The umbrella certainly protected the independence of some companies. For others, it was the first step to full merger with Whitbread in the more competitive conditions of the 1960s. More than 23 companies were acquired in the period 1961-71.

The merger programme strained the company's management resources, while the acquisition of numerous small productive sites necessitated a comprehensive programme of rationalisation. Yet while the company had to transform its organisation to match its growth, it always had a reputation for sound management.



1 Labour attacks . 'covert' links

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The Labour party Jestines are Labour party Jestines accurated the government of accurated the government of the Jestines between britan as India in violation of the Unit Jack Commission of the Unit Jack Commission of the Jestines Sanctions regime.

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Bids sought for adviser to Railtrack sell-off

By Micholas Denton

Leading investment banks were yesterday invited to bid to advise on the privatisation of Railtrack, the company running British Rail's track, signalling and stations.

The government has given invest-ment banks between two and three weeks to submit proposals. It then expects to decide by Christmas.

get tough

guzzlers

on gas

The Railtrack privatisation is the last significant sell-off for tha foreseeable future. The mandate represents a last chance for banks to build a record for advising on priva-

There is nevertheless some concern that rail privatisation will get caught up in the political battle in the run-up to the next election.

Lib Dems | The price 1s

private buyers are plunging -

not because of a lack of con-sumer confidence, but because of discontent with high prices

Evidence is mounting that

private motorists who can

afford to buy new cars are instead buying cars which are one or two years old. This

leaves the heaviest burden of

depreciation to be borne by the

companies which bought them

new - often at deeply dis-

counted prices which disilln-

sioned private motorists

Professor Garel Rhys, profes-

sor of motor industry economics at Cardiff Business School,

said improvements to the qual-

lty of cars meant that private

buyers were finding such sec-ond-hand purchases largely

problem-free, and many might

never return to the new car

market - "at least not

until . . . new car prices come

down to the value-for-money

America."

level offered by cars in North

The National Franchised

Dealers Association, which rep-

resents franchised motor deal-

ers, says that carmakers' "fleets first" marketing priori-

ties means that the average

price of a medium-sized family

car is £2,000 higher than It

would otherwise be.

believe they subsidise.

and depreciation.

at Samuel Montagu, the merchant bank, said: "I think that anybody who works for government has to recognise that there are political considerations as well as the ragaries of the market."

Leading contenders are thought by the investment banking sector to include the UK houses with long track records in privatisation.

which advised on the privatisation of the electricity industry. It believes that the experience of restructuring a sector before sale will prove particularly relevant to the Railtrack bid. Kleinwort laid claim to expertise

in the sector with an analyst's report putting a real market value on Railtrack of between £3.3hn and

Samuel Montagu said it would hid in conjunction with James Capel, its sister broker, and perhaps a third party, notwithstanding its role in advising the government on rail pri-

vatisation in general.
S.G. Warburg, the Barings group, and Schroders are also believed to be potential bidders.

But Barclays de Zoete Wedd, which some tipped as a competitor,

said it did not think it would go for the mandate. An executive said: "It is going to be quite difficult and terribly resource-intensive." BZW is already involved in the flotation of coal

company RJB and several other pri-vatisation-related transactions. NM Rothschild is unlikely to make a bid as it already advises Railtrack on privatisation.



wrong for some motorists John Griffiths on why sales to

By Kevin Brown, Political Correspondent private car buyers are declining The Liberal Democrats yesterday proposed a dramatic cut in vehicla excise duty for The motor trade is starting to fear that sales of new cars to smaller cars, combined with an

increase in petrol taxes, to reduce traffic congestion and air pollntion. The party said in a policy paper fleshing out aspects of its alternative budget proposals that a rise of 20p a gallon in fuel duty would fund a £120 a

year cut in duty for cars up to Mr Matthew Taylor, environment spokesman, said the pro-posals would shift the burden of taxation away from car ownership on to "excessive" use,

especially by owners of inefficlent vehicles. He said that the UK's "addiction" to big cars cost the economy up to £17bn a year, compared with revenue of £16.6hn

Mr Taylor said that the combination of a £10 dnty and dearer petrol would cut motoring bills by £75 a year for average rural drivers, £90 for average urban drivers and £85 for drivers travelling less than 7,000 miles a year. Costs would rise by £60 for

the average driver of a 2,000cc car, but would fall by £135 a year for a 1,300cc vehicle. A business driver averaging

20,000 miles a year in a 2,800cc car at 24 miles a gallon would face an extra bill of £165. Owning a 1,500cc car would save this driver £55.

Mr Alan Pulham, association director, said this reflected two

factors: • The need to fund the discounts, free servicing and other inducements to fleets not normally available to private buyers. These perks were paid for in the main by private motorists paying close to the manufacturer's list price.

buyers often had higher specifications than they wanted or could afford as they were aimed mainly at fleets. Statistics from the Society of Motor Manufacturers and Traders show that new car registrations rose 8.5 per cent in

· Cars available to private

the first 10 months of this year to 1.71m, compared with the same period last year. But this was led overwhelmingly by the business car sector - which accounts for nearly 60 per cent of the total -

with a rise of 15.8 per cent. Even taking into account the August rush, when private buyers usually predominate, registrations to private buyers rose just 2.2 per cent. If the August factor is removed registrations to private buyers fell 5 per cent in the first half of the year, in spite of a 14 per cent rise in total registrations.

But a more telling pointer to a consumer revolt comes in the latest quarterly statistical bulletin from HPI, the motor trade The motor industry's balance of trade deficit nearly doubled last year to £5.1bn from £2.8bn steepest falls since the second world war.

in 1992, John Griffiths Writes. The deterioration came in spite of UK vehicle production reaching its highest level for

It was caused mainly by vehicle markets in continental Europe suffering one of the

finance organisation. This shows that the number of new cars bought on credit is ahead of last year but that the rate of increase has fallen in each of the nast three quarters.

20 years.

Many businesses, as well as private motorists, buy new cars on credit. So the weakening of new cars bought on credit understates the rate of decline among private buyers. In contrast, purchases of used cars on credit have been rising for most of the past year. HPTs data for last month shows another year-on-year

This restricted UK exports, while simultaneously focusing continental manufacturers attention on the UK vehicle market, the only major one in Europe to experience growth

Car exports by value increased 10 per cent to

rise of 11.1 per cent - almost twice the new car level. Carmakers have made much of price cuts - or at least the absence of sizeable price increases - as showing flerce competition.

An analysis by Sewells International, the motor-trade monitoring group, concludes, how-ever, that the price restraint is more apparent than real. The analysis shows the list price of a typical best-selling car to have risen just 3.7 per cent between 1991 and 1994. In that period the 10 per cent special

£4.5bn, including a rise of 57 per cent in the value of exports to non-EU destinations and a reduction of only 1 per cent to other European Union

states. This was more than offset by car imports, which rose 21 per cent in value to £7.9bn. The total value of exports.

dealers have had their profit margins cut - slashing the dis-

including commercial vehicles

counts they could offer private The study concludes: "The average naw car should be around 13 per cer cent cheaper because of the abolition of spe-

cial car tax and the introduction of lower dealer margins." Prof Rhys said that the view of private buyers that they were subsiding fleet buyers was misguided because the sheer size of the fleet market helped to cover costs which

and parts and accessories, fell 1 per cent to £11bn, with exports outside the EU rising 36 per cent to £3.6hn. However, total imports rose 16 per cent, to £16.1bn.

The deficit is expected to have fallen during this year. mainly as a result of continuing recovery in continental

would otherwise fall on private

But the crunch for carmakers, he said, was that their costs were too high and that "for the first time British buyers are becoming aware of the car value that Americans get for their money."
He added: "Prices of new

cars in Europe must come down in real terms to North American levels. That's when the fur will fly. There are simply too many carmakers in Europe and they can't all survive.".....

forecasts pass 4% mark

By Philip Coggan, Economics Correspondent

Two leading City securities houses have increased their forecasts for UK economic growth next year to more than 4 per cent.

correct the UK will enjoy eco-nomic growth on a scale not seen since the "Lawson boom"

of the mid-1980s. S.G. Warburg's research team has increased its forecast for 1995 growth from 2.8 per cent to 4.5 per cent – the high-est prediction from the City – after a rate of just over 4 per cent this year. The main rea-son for the higher forecast is a

better export performance. The long-term trend growth rate of the economy is normally believed to be between 2 per cent and 2.5 per cent, Economists say a long period of above-trend growth - such as from 1985 to 1988, when growth was 4 per cent or above in every year - eventually brings inflation.

That has certainly been the view of the team at UBS, led by Mr Bill Martin. UBS has increased its 1995 GDP growth forecast to 4.25 per cent.

But while UBS previously felt that the economy would overheat next year, it now predicts this problem will not occur until 1996. This forecast change therefore offers postponment rather than absolution from a day of reckoning, said Mr Martin.

The S.G. Warburg team thinks that underlying inflation (excluding mortgage interest payments) will be 3.3 per cent in the fourth quarter of next year and 3.2 per cent in the fourth quarter of 1996. Such a modest acceleration would still mean that the government failed to achieve its aim of reducing inflation to the lower half of its 1 per cent to 4 per cent target range by the end of this parliament.

Meanwhile, a third securities house, Kleinwort Benson, has also increased its GDP forecast for next year, but only to 2.7 per cent from 2.2 per cent.









HOW EVOLVED IS YOUR LONG HAUL AIRLINE?

If the majority of long distance travellers have anything to declare on arrival. it's usually the wish that they'd been treated a little better. With service at their convenience, not the flight atteodant's. And an attitude more akin to "What can I do for you?" rather than "What do you want now?". South African Airways flies some of the world's longest nonstop routes.

Which means we have to regard certain elements of our service as fundamental requirements, rather than competitive "edges". Good food, for example. In recognition of both quality and the rich variety of our menu. a worldwide award almost exclusively dished out to fine restaurants, the 'Chaine des Rotisseurs' Blazon Shield.

has been awarded to SAA for its culinary fare. And our wine list, which reflects the Cape's most outstanding wines, has been rated among the five best io the world by the much-trusted Decanter magazine.

But these elements alone will not allow us to promise you'll feel like the picture on the right. Only the cabio crew can do that. And only if they have the right attitude.

And whilst we appreciate that attitude is in the eye of the beholder, we believe it's not for nothing that SAA has been voted "Best Carrier to Africa"



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FINANCIAL TIMES

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Saturday November 26 1994

Safety first, chancellor

The UK Budget ought, in normal circumstances, to dwarf in significance any parliamentary event that occurs in the same week. This should ba even truer oow that plans for spending and revenue are announced in one burst of parliamentary fireworks. Yet next week's display will start not with the Budget, but with the Conservative party's flirtation with collective suicide on Monday.

If the government were to lose the vote on UK contributions to the European budget, Mr Kenneth Clarke's day would become a damp squib. Peopla's thoughts would turn at once to the Labour party's shadow budget for "investment, jobs and fairness". Yet Conservatives believe in self-interest. It seems implausible that this motivation will desert them altogether on Monday. Tuesday's Budget will probably still matter.

Mr Clarke has a good story to tell and will tell it with gusto, for in every important respect economic performance has been better this year than the Treasury foresaw a year ago. Then gross domestic product was expected to grow by 2% per cent in 1994, but it grew 4.2 per cent in the year to the third quarter; then the retail price index (excluding mortgage interest) was forecast to rise 3% per cent in the year to the fourth quarter of 1994, but it has risen only 2 per cent in the year to October; and then the public sector borrowing requirement for 1994-95 was forecast to be £38bn, while the Institute for Fiscal Studies and Goldman Sachs now

forecast it at a little over £30bn. It is a great story. But it also opens a deep trap. The better the economy is performing and the greater the government's unpopularity, the bigger the temptation to bribe tha electorate with dollops of its own money. Once again, there would be large tax cuts at the peak of an expansion. Once again, tha necessary tightening of monetary policy would either be postponed or be too little. Once again, a golden opportunity to sustain stable growth would be thrown away.

Higher inflation

From the gap between the yield on conventional and index-linked gilts, investors expect inflation to average 41/2 per cent in the medium term. For them, therefore, this is another post-recession honeymoon, with higher inflation to follow. Obtaining growth after a devaluation that followed a deep recession is no miracle. But sustaining growth over many years would be miraculous.

The currently unsustainabla rate of growth, far from justifying postponement of the tax increases due next financial year, makes

them still more important. There is no reason to suppose that the underlying trend rate of economic growth is any faster than was thought a year ago. All that has happened is that the economy is returning to its (unavoidably uncertain) full-capacity level faster than was then expected. Correspondingly, the fiscal position is also improving more quickly than

Fiscal tightening

There are threa reasons why there should be no discretionary reversal of the plannad fiscal tightening. The first is that on plausibly conservative assump-tions about full capacity – the level of output at which inflation would remain stable - the public sector borrowing requirement would still be about 3 per cent of gross domestic product at that point. This is the most that would appear sustainable in the long term. If anything, the UK should run a tighter cyclically adjusted PSBR than that.

Second, it cannot be sensible to approach full capacity at a growth of more than 4 per cent a year. Should the further fiscal tightening due next financial year prove too contractionary for the economy, offsetting reductions in interest rates (or, more probably, slower increases) can always be made. Such a further rebalancing would, in fact, be desirable.

Finally, if there are to be the usual electioneering bribes in the 1995 and 1996 Budgets, they need to be made from a more than sus tainable base. While there is no good economic reason to raise taxes one year only to lower them a year later, it may still be neces sary to raise them if the subse quent lowering is politically pre ordained. This is, admittedly, to treat voters as idiots, but maybe they deserve that treatment.

So Mr Clarke should blow the government's trumpet, stick to his announced plans for tax increases and focus attention on imaginative ideas for fiscal reform. The treatment of savings is a mess, it would be good to wrap tax-exemp special savings accounts (Tessas together with personal equity plans (Peps). It would be wonder ful if the incentives for the unskil led unemployed to work were to be improved. It would he still more remarkable if the chancellor were to avoid introducing more of the distorting gimmicks that all chancellors love.

Such fireworks are optional What is essential is for the chancellor to avoid falling into the tran of excessive stimulus that engulfed so many predecessors. He made the right decisions last time. He should stick to them this

be goveroment finds itself trapped in a political world where a statement of the obvious becomes an extraordi nary cabinet suicide pact: where behind every cock-up lurks a dark conspiracy.

Rightwing plotters tour the lobbies of Westminster collecting names in support of a leadership challenge. A Tory deputy chairman finds his private gloom about the party's electoral prospects splashed across the front pages of the newspapers. A vice-chairman is obliged to resign after penning a xenophobic attack on Britain's European partners. Yes, Mr John Major has had another dreadful week.

So the next few days will provide yet another of those all-too-familiar tests of the prime minister's authority. On Monday he faces a confidence vote on legislatioo to increase Britain'a contributions to Brussels. By Wedneaday morning be will know whether one of his enemies possibly Mr Norman Lamont, the former chancellor - has mustered the requisite 34 nominations to mount a formal challenge for the party leadership.

The odds are thet Mr Major will win Monday's vote with room to spare. The re-election on Thursday of the loyalist Sir Marcus Fox as chairman of the backbench 1922 committee applied a brake on the Tories' slide into anarchy. The broad hint yesterday from Mr Doug-las Hurd, the foreign secretary, that the government would offer a referendum before joining a singla European currency will provide a line of retreat for the softer rebels.

Mr Kenneth Clarke, the chancel-

lor, will follow by opening Monday's Commons debate with a promise of clampdown on European Union frand. The Eurosceptics will be assured that the Treasury's receipts from the imposition of value-added tax on domestic fuel will not line the pockets of crooked Italian wine producers. Even if a dozen irreconcilables were to ignore such overtures and risk expulsion from the parliamentary party, the votes of Mr James Molyneaux's Ulster Unionists would save the govern-

The betting on whether there will be a leadership contest is also on Mr Major's side, but less certainly. A week ago, the notion seemed far-fetched. Plenty of his backbenchers would be happy to see Mr Major depart 10 Downing Street, But not enough were ready to attach their names publicly to a formal chal-

Now the mood, if not yet the cold arithmetic, has changed. Mr Major's cabinet colleagues admit a contest is possible. Mr Lamont is said to be ready to exact his revenge for his dismissal as chancellor 18 months ago. No challenger would defeat Mr Major. But he might fatally wound him. Logic dictates the threat will come to nothing, and the odds are still against. But logic is a scarce commodity these days on the Tory

Amid this hysteria, next Tuesday's Budget has been all but forgotten. It might well pre-empt a leadership contest. Mr Clarke does not have a bag of populist tricks to dispense to the panickers on the backbenches. But the signs are that he will delight the rightwing with deeper spending cuts than predicted. He will also publish projections for public borrowing that offer the chance - if not the certainty of income tax cuts before tha general election. Mr Clarke, described this week by one rightwing Tory as "dodgy on Europe but otherwise the best chancellor since the war", is

The self-destructive habit of the UK's Conservative party casts doubt on its will to govern, says Philip Stephens

Mr Major's dreadful week



Clockwise from left: Prime Minister John Major; Douglas Hurd, foreign secretary; Sir Teddy Taylor, Eurosceptic MP; Norman Lawont, former chancellor; John Maples, Tory deputy chairman; and Kenneth Clarke, chancellor

essured of another jump in his personal rating. Mr Major needs him, but must also eovy his chancellor's natural authority. When the prime minister said 10

days ago that he would not tolerate a rebellion by his party's Eurosceptics over Britain's increased contribution to the Brussels budget, the conventional wisdom backed his judgment. By making the vote an issue of confidence, he would avoid a repeat of the trench warfare that nearly destroyed the government over the Maastricht treaty. He would win quickly and decisively. This time no one could resurrect the accusation of weakness.

That was the theory. But once again the prime minister and his cabinet colleagues - the suggestion of an immediate showdown came first from Mr Hurd and was backed strongly by Mr Clarka - underestimated the party's malcontents. Mr Major has a House of Commons majority of 14, likely to fall to 13 after next month's Dudley by-election. There are up to twice that number of Conservative MPs whose central ambition is to oust him this side of the next general election. If their efforts lead to defeat at the election, they are prepared to countenance it.

Not all the putative rebels over Europe are driven by personal ani-mosity. Sir Teddy Taylor, the MP for Southend, has honourably bim. For them, plotting in the Comopposed Brussels for as long as any-

one can remember. Some are motivated by the conviction that the next few years mark Britain's last chance to break away from an emerging European superstate. Mr William Cash is widely regarded as a bore but he is a sincere one. Others represent the curious relics of postwar chauvinism who tend to prop up their local saloon bar before tucking into a tra-

No challenger for the Tory party leadership would defeat Mr Major. But he might fatally wound the prime minister

ditional Sunday lunch. Like Mr Patrick Nicolls, the Tory vice-chairman forced to resign after an outburst in his local newspaper, they see Germany as a nation of warmongers and France as a nation of collabora-

But for a determined clique of irreconcilables, Europe provides the most fertile ground on which to prosecute their assault on Mr Major's premiership. They despise him. Their ambition is to depose

mons corridors has become a way of

It was their enmity that forced Mr Major into the position of demanding that everyone around the cabinet table sign up publicly to the threat that the govern would resign if Monday's vote was lost. There could be no question, as some of the malcontents were suggesting, of a defeat leading to nothing more than Mr Major's replacement in 10 Downing Street by Mr Clarke or Mr Michael Heseltine, the trade secretary.

Mr Clarke made the point first in a typically frank briefing for political journalists. The full cabinet had backed the financing deal negoti-ated by the prime minister in Edinburgh two years ago. If it could not get such an international accord through the Commons it could not remain in power. No member of the cabinet honourably could seek to avoid an election by dumping Mr

Even the rightwing members of the cabinet who grumbled initially about the strategy admitted that it was a statement of the constitutionally obvious. But in the present decision would be portrayed as a collective suicide pact. The irreconcilables - who are not noted for their consistency and who have for so long criticised Mr Major as a weak leader - now accused him of "bullying" his party.

It may be that the prime minister will never be able to reassert real

authority, that after 15 years in office, the Conservative party has become ungovernable. As it staggers from one mishan to another, many within the administration have begun to admit such doubts.

The mood in the country will be the critical determinant. The mai-contents feed off the insecurity of the less committed majority on the Tory backbenches. They in turn are driven by fear of losing their seats. The government has been 20 or more points behind in the opinion polls for two years. No past administration has ever made up so much lost ground. Maybe, the waverers say to themselves, a new leader. (and it would be Mr. Clarke or Mr Heseltine, not Mr Lamont) might just turn it around.

The scale of that task was outlined in the confidential memorandum prepared by Mr John Maples, the Tory deputy chairman, and first published in the FT at the start of the week. This included the observation that large pay awards cause "real offence" to distillusioned Conservative voters. With painfully exquisite timing, the leak of the document coincided with the announcement that Mr Cedric Brown, the chief executive of the privatised monopoly British Gas, had been awarded a £205,000 a year annual pay increase.

ave for his indiscreet language, Mr Maples' broader political assessment contained few suprises. Vot-ers are fed up with the government and if will take more than a litany of populist promises from Mr Michael Howard, the homesecretary, to restore the Conservatives' reputation as the party of law and order. Flooding the hospitals with highly-paid accountants has not enhanced the party's efforts to appear a faithful guardian of the health service.

Nor would anyone who has watched the party's clumsy attempts to destabilise Mr Tony Blair, the newly-elected Labour leader, have been taken aback by Mr Maples' judgment that he poses a threat to the Conservatives' grip on the centre ground.

But it was the memorandum's frank admission that the economic recovery is not delivering a political upturn that struck the most worrying chord with nervous Tory MPs. They should have realised that virtue does not guarantee electoral success. The combination of steady growth and low inflation is not enough for most families to wipe out the costs of the recession and of the biggest tax increases since the second world war. For the average Tory voter, living standards, as Mr Maples admits, have been falling

not rising.
On Tuesday, Mr Clarke will assure them that the tide is beginning to turn. Virtue eventually will put money in people's pockets. If the party keeps its nerve, a fifth election victory is still possible. By this time next week, the present storm, like so many before it, might well have abated, giving Mr Major once again the breathing space to begin rebuilding his government's

fortunes. But as the weeks and months by, it becomes harder and harder to see how that will be possible before atmosphere, it was inevitable the . an election due in, at most, 21/2 years. It is too early to be certain the position is irrecoverable. But one thing is clear. The Conservative party must decide whether it really wants any longer to govern Britain.

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MAN IN THE NEWS: Oscar Luigi Scalfaro

Italy's ultimate referee

atmosphere in Rome venomous and conspiratorial. Wild rumours circulate at high velocity. Emissaries have begun to test new alliances. Knives are being sharped to settle old scores.

In the corridors of parliament and newspaper newsrooms, the talk has ceased to be whether Mr Silvio Berlusconi can survive as prime minister after being placed under investi-gation for corruption this week. It is rather of when and how he will go, and which government will come

Moving to centre stage is President Oscar Luigi Scalfaro, the 76-year-old head of state and one of Italy's most experienced politicians. From the Quirinale Palace, once the residence of popes, be has been issuing terse statements indicating obliquely how events should unfold.

The president has made no secret of his distaste for the media magnate turned politician, and does not share Mr Berlusconi'a view that he can emerge fighting from the cur-rent crisis. Although Mr Scalfaro's constitutional authority is limited. his role will be crucial as events unfold. He has the power to dissolve parliament and to ask someone to

form a new government.

President Scalfaro is also recognised as the ultimate referee of Italy's volatile political system. Thus he enjoys considerable powers of moral sussion through making his own views known. To this must be added his enormous experience, having entered politics in 1946 in

Italy's first postwar parliament. During the six months of the Berlusconi administration, President Scalfaro has frequently felt obliged to call the premier and his coalition

The deepening problems of the Berlusconi government have turned the political tial problems arising from a conflict between his role as premier and his ownership of Fininvest, Italy's second largest private group.

He intervened, for example, to remind the coalition that the RAI state broadcasting network could not become a tool of government. He took the side of the Bank of Italy when government tried to impose an outside candidate as new director-general. And as head of the higher magistrates' council, the governing body of the judiciary, he belped deflect government com-plaints that the magistrates were victimising Mr Berlusconi.

On each occasion, his views have carried more weight than is strictly due to the president, undermining the government's position. Indeed Mr Berlusconi and his supporters see the president as a fifth column working to bring down the rightwing coalition government.

Relations between the president and the government this week came close to getting out of control. President Scalfaro was furious over the tone and content of Tuesday's televised address by Mr Berlusconi, given when he learnt that he was under investigation for alleged corruption while running his business empire. Mr Berlusconi attacked the Milan magistrates for conducting a vendetta against him, and threat-

ened early elections. Presidential aides promptly leaked to the media their views on Mr Berlusconi - "a naturally unpleasant man who believes he is simpatico to everyone". The Berlusconi camp countered, labelling Mr Scalfaro as "the worst of the old Christian Democrats concentrated

in one pill". Matters were made worse when



Mr Giuseppe Tatarella, the deputy prima minister, warned President Scalfaro thet he was in no position to moralise when he had his own dirty linen. Mr Tatarella alluded to Mr Scalfaro's links while interior minister between 1983 and 1987 with the discredited intelligence services. His name was frequently mentioned during a recent trial of senior members of the services found guilty of embezzling more than \$50m, who alleged he was aware of their practices while interior minister. This is Mr Scalfaro'a most sensitive spot and could yet weaken his position.

Howevar, the president was reportedly so angry at these insinuations, he postponed for 24 hours a formal meeting with Mr Berlusconi to discuss the future of the government. After the meeting, heid yes-terday, the presidential office refused to comment and it was left to the prime minister to say doggedly: "There is no war with the Quirinale and it was a normal dis-"There is no war with the cussion as on every other occasion."

However, Mr Berlusconi failed to obtain the message of support from the president he needs to help him survive. He and President Scalfaro are at odds on almost every aspect of how to proceed. The only common ground seems

to be a realisation that a financial crisis cannot be added to the politi-

cal uncertainty. Both are agreed that priority must be given to passing the 1995 budget through parliament. This means the prime minis-ter need not resign immediately just because he is under investigation by Milan magistrates for as-yet unproven allegations of corruption. But Mr Scalfaro has already begun to sound out the prospects for a successor government. He is against a quick dissolution of parliament, since the last elections were only in March. He wants to build a broad-based government that would look to the Popular party (PPI) – the former Christian Democrats – in the centre and would embrace the former communist party of the Democratic Left (PDS). This new coalition would probably not include the neo-fascist MSI/National Alliance, the current mainstay of Mr Berlusconi's government along with his Forza Italia movement. Its task would be limited to rewriting the defective elec-

toral laws of August 1993 and introducing constitutional reforms. Mr Berlusconi, in contrast, sees his only real chance of survival in staying close to the MSI/National Alliance and going to the country as quickly as possible. He would hope to cast himself in the role of a victim of the old political system. In this scenario, Mr Scalfaro, elected in 1992 by a subsequently discredited parliament, would be presented

as one of the chief villains. The stage is now set for a showdown between the president and the prime minister. With political gulla pitted against an inexperienced premier cornered like a wounded animal, the odds must be on Mr Scalfaro getting his way.

Robert Graham

David Thomas was a Financial Times journalist killed on assignment in Kuwait in April 1991. Before joining the FT he had worked for, among others, the Trades Union Congress.

His life was characterised by original and radical thinking coupled with a search for new subjects and orthodoxies to challenge.

In his memory a prize has been established to provide an annual study/ travel grant to enable the recipient to take a career break to explore a theme in the fields of industrial policy, third world development or the

The theme for the 1995 prize, worth not less than £3,000, is: DOES FREE TRADE THREATEN THE ENVIRONMENT?

Applicants, aged under 35, of any nationality, should submit up to 1000 words in English on this subject, together with a brief c.v. and a proposal outlining how the award would be used to explore this theme further.

The award winner will be required to write a 1500 to 2000 word essay at the end of the study period. The essay will be considered for publication in the FT.

CLOSING DATE JANUARY 6 1995

APPLICATIONS TO: ROBIN PAULEY, MANAGING EDITOR THE FINANCIAL TIMES (L) Number One Southwark Bridge LONDON SEI 9HL

Inequality in society wedding

Alison Smith analyses the merger plans of the Halifax and the Leeds

announcement yesterday merger plans between Halifax, the UK's largest building society, and Leeds Permanent, the fifth largest, surprised any observers with its timing. But the likelihood of mergers in the sector - and the desire of both societies to find partners - is not new. However, yesterday's plans have

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L.E SETVICE

gone further than many expected in the intention that the combined organisation should become a public limited company and seek a Stock Exchange flotation. The benefits of conversion for Abbey National, the first building society to have chosen plc status, have not been so self-evident that any others have since fol-

lowed that path.

Mr Jon Foulds, the Halifax chairman, who will chair the new organisa. tion, was upbeat about the consequences, however: "We propose to

create a new force in personal finan-cial services," he said.

The wooling of Leeds by Halifax began with talks in the spring, after the announcement of an agreed £1.8bn cash bid by Lloyds Bank for Cheltenham & Gloucester building society, the sixth largest.
Leeds had already been to the altar

once recently, in merger talks with National & Provincial Building Society - a move that would have created the UK's third-largest society. When those broke down up in October last year, Leeds was left looking forlorn. At its annual general meeting in May, Halifax made clear it was seeking a merger in pursuit of its mission to be the UK's biggest and best provider of personal financial services. The problem was whether any society

would want to be the junior partner. Halifax and Leeds will have to persuade several audiences that they have ended up with the right match: The members of the two societies - investors and borrowers - who must approve by substantial majorities both the merger and the later conversion to plc status.

rom the barren arctic northlands, through the spectacular moun-

tain valleys and flords,

down to Oslo's humdrum inner suburbs, the word Nei! has

been inescapable in Norway

It has been carved into hill-

sides, daubed on cows, flown

from flagstaffs and hung on

banners across streets. One

farmer won himself a front-

page picture in a national newspaper, grinning beside a sign he had erected barring

European Union visitors from his campsite. A few weeks ago,

a group of women formed

The passions stirred by Mon-

day's referendum on joining

the EU have been exceeded

recently only by the Lilleham-

mar winter Olympics last Feb-

ruary - when Norway skied off

with a horde of gold medals -and the football World Cup

finals in July, for which Norway qualified for the first time

As the vote draws near, the

confidence of the No camp has

been dented. Its commanding

lead in the opinion polls has

been eroded since Sweden voted in favour of membership earlier this month. But even if,

as the latest polls suggest is

possible, the Yee campaign

schieves an against-the-odds

in more than 50 years.

Blondes against the EU".

new organisation will borrow whole-sale funds - at rates that will depend on the judgment of the viability of the merger made by the US ratings agen-

 The capital markets will also have to be convinced that the plans for the future make sense if the flotation is to

Some points in the merger plan have a wide appeal. Members, etaff and financial monitors are likely to be pleased with the prospects for growth for the new organisation which will be able to provide a wider range of products to both societies' customers. Leeds, for example, does not offer a

current account with a cheque book; Halifax does, and will want to sell the service to Leeds customers. Within five years, Halifax is likely to want to use the greater freedoms that accompany its new status to produce as well as sell personal lines of general insurance, such as motor and travel.

No cash sum is on offer for mem-bers, as a result of the merger, to compare with the share of the £1.8bn on offer from Lloyds Bank to Cheltenham & Gloucester members, But any dismay among members thet they will not receive such a bonus is likely to be outwelghed by the pros pect of free shares when the merged building society is floated. The advantages to Halifax of acquir-

ing around 4 per cent of the current UK mortgage market and access to a further 2.5m customers without hav-ing to make a cash bid are clear. The pefits to the Leeds of this deal are much less obvious.

The society will have the advantage of being reunited with Mr Mike Blackburn, the chief executive who left the Leeds in February last year to run Halifax. And being part of the larger organisation - likely to be the third largest UK high-street bank by asset size - will ensure that it is not squeezed out in the increasingly competitive financial services sector.

The Halifax's contribution to the new group is much the larger - and • The money markets on which the not merely in terms of the £69.9bn it

More gripping than

the winter Olympics

member countries: 25,000 peo-

ple streamed into Oslo in driv-

ing rain and snow to boo Brus-

an earlier referendum.

Brussels has a

different culture

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travelled 1,200km from Finn-

mark, Norway's northernmost

county, where the country bor-

ders Russia and the arctic Bar-ents sea. Dressed, like many in

the crowd, in traditional knick-

erbocker trousers and a floppy

felt mountain hat, with the

Norwegian flag sticking out of his backpack, Mr Jensen

declared: "The question of join-

against joining.

Halifax and Leeds: building a



	Halfax	Leeds
Total amosts	200.50n (m.# \$1.7.94)	COLOR See at 30 4.00
LIK building society ranking by total assets	1	5
Number of employees	approx 22.500	approx 5,000
Number of branches	687	453
Number of agencies	1,163	accres 120
Number of investing members Number of bottoming members	approx 6m 1,86m	approx 2m 0.5m
Pre-tax annual profit Cost/mome ratio	2985m 36.8%	6246m 40.2%

provides of the £90bn assets of the combined operation. It will also contribute its name and its head office, as well as its chairman and chief executive. Leeds is bringing the brand names of some of its products. But rather than giving up its iden tity to join Halifax, the Leeds could have chosen another, less powerful partner that would have allowed for a more equal relationship within an about 27,000 steff and re-training, organisation large enough to survive.

mystifying competitors.
"I can't see what's in it for the Leeds," one chief executive com-mented. "I was surprised," said another, "I thought they would reject it because of the likely branch clo-

Its motivation in choosing Halifax is

That the future of the branch network might be is an issue requiring diverse messages about the benefits to different sudiences. The two organisations have more than 1,100 branches, with considerable overlap. The temptation to

Hugh Carnegy and Karen Fossli on the passions stirred in Norway by Monday's EU referendum

rationalise the combined branch network and cut expenses will be strong. Mr Roger Boyes, Leeds's acting chief executive, insists that there would be no need for large numbers of branches to be closed and staff to made redundant. He argues that the planned expansion of business in financial services will provide a use for the extra branches. The new organisation is planned to employ

redundancies, he hopes. That stance, expressed also by Halifax, is intended to reassure members that they will not suffer a loss in the availability of services, and to give confidence to staff that there will not massive job cuts.

redeployment and natural wastage,

should mean no need for compulsory

There is some merit in expressing this view; the ontspoken way in which 1,600 job losses among 9,800 staff were envisaged in the amouncement of the merger between Leeds and National & Provincial last August was one of the factors in its downfall. But retaining most of the existing

branch network would be far from reassuring to the credit ratings agencles. It could also undermine the two societies' current cost to income ratios of around 40 per cent - below the sector average.

The shadow over societies is the merger of Nationwida and Anglia building societies in 1987. The two businesses were not properly combined, and It is only relatively recently that Nationwide has shown signs of tackling the high cost to income ratio and regaining competi-

Halifax competitors believe that whatever is said to ensure approval of the merger, the society's management will be prepared to take tough decisions on rationalising the combined

Only if it does - and can make the most of its added size and wider powers to provide a wide range of financial products efficiently - will yesterday's announcement of merger and conversion set the pattern for tomorrow's moves among other societies. They will be watching closely.

Computer hackers are less of a risk than lax security over passwords, says Alan Cane

Open sesame, system

hadowy figuree veyed some 138 large compa-answering only to nies this year; the results bizarre pseudonyms; secret meetings in louely cellars at dead of the night; electronic black boxes dialling endless sequences of telephone numbers in the hope of making a connection. This is the stuff of backer mythology, the heroes of the computer revolution whose main aim in life is to break into puter systems.

Their motivation, it seems, is not personal gain but to test their ingenuity against the best defences computer scien-tists can build round their Syste

This week, backers were in the limelight once more with a report from The Independent newspaper that British Telecommunications' principal computers, used to store its customer records, had been hacked into. Some of the country's most sensitive unlisted telephone numbers - including MI5, MI6, Downing Street and Buckingham Palace were found and sent to a freelance journalist, Mr Stephen Fleming, over the Internet, the global information superhigh-

It was hardly the first time a telecommunications operator had been compromised. In 1988, a hacker nicknamed "Prophet" broke into Bell-South's centralised automa-

tion system in Atlanta Prophet was eventually sent to prison after being caught with incriminating mate-

But the BT case has been unusually public. Not since the Duke of Edinburgh's electronic mail box was backed into in the early 1980s has there been so

much of a furore over the security of more security still. computer data. And computer abuse has grown considerably

Earlier this year, the Audit Commission reported a 300 per cent increase in the past three years in all forms of computer abuse, including fraud, theft, hacking and the unauthorised tisclosure of pe

BT accepted that informa-tion had been taken from its system, and instituted an immediate review of its security measures. But it denied that its computers had been "hacked". This position depends to some extent on a definition of backing.

Most people take it to mean using clever methods to overcome the system's defences. But Mr Fleming, who obtained temporary employment at BT, is quoted as saying: "To my were openly distributed."

Computer security experts everywhere will have shaken their heads wearily at these words. The BT affair has confirmed, yet again, their collective view that poor password discipline is the biggest single cause of computer security

breaches People like to believe in the hacker mythology; they like the mystery and the taste of electronic wizardry. But it serves to distract attention from the fact that computer security in most commercial organisations is poor or non-

KPMG Peat Marwick, the business consultancy, sur- win their spurs the hard way.

show that almost 30 per cent of companies either did not report or investigate breaches of computer security. Many could not even say with cer-tainty whether their systems had been attacked. Some 27 per cent were either unsure or stated categorically that their networks were not secure from manthorised use.

Mr Gerry Penfold, KPMG partner with responsibility for computer andit, said: "It seems that companies continue to be oblivious of the commercial risks they are running, choosing to ignore obvious dangers."

BT now faces an investiga-tion by the data protection registrar. Under the principles of the Data Protection Act, any companies with personal information about customers on their computers have to take nable care to ke Information confidential. Breaking a principle of the act is not in itself a criminal offence; but if a company ignores the registrar's advice on future security procedures, it could be liable for prosecu-

Such security is largely a matter of commercial compro mise. Companies can have as much security as they are prepared to pay for. These levels

HACK IN USING A

Department of Defence Orange NOW, MOST PEOPLE Book and in Europe in the MOZNHOT, JOHNSON Book.

A password provides some security. The addition of a call-back modem, so that users are called back by the computer, provides more. And double, triple greater comblsswords offer

The most sensitive govern ment computer systems also have boxes built around each terminal to stop people using a scanner to read the radio fre-quencles that they emit.

But, essentially, systems are at most risk from their users. A virtually secure system is sible, but the expense and inconvenience of guaranteeing password discipline is usually impracticable. Most organisations settle for password combinations.

And in practice, groups of people often share passwords to make administration easier. Others write them down - not unreasonably, in some cases. Professor Henry Becker of Zergo, a security consultancy, cites a bank with 40 passwords

and identity codes.

The problem is really a cultural one. There is a lack of awareness of the need for secu-rity. People who would never think of going out for lunch leaving the cash drawer open, leave a computer terminal on and unattended without e second thought.

As the Audit Commission has said: "As information technology becomes a normal part of the employees' work pattern, there is a risk of almost casual disregard in protecting deta. Managers and users must understand the value of data and protect it before it gets lost or damaged - deliberately or acciden-tally." If the message gets home, hackers will have to

victory, Norway will have lived people, but what do they up to its billing as the most understand? Their realities are Euro-sceptical of the four golf and socialising. Theirs is a different culture from normal nations due to join the EU next year. (Austria and Finland, like Sweden, have voted Yes.) people like us in the north." Decision denies chance to

pioneer superhighways From Mr Graham Allen MP. Sir, The government's announcement that it will not lift the ban on BT and allow it to broadcast entertainment services to homes on a national basis is an unwelcome and inopportune decision at a time when the UK's European and when the UK's enropean and international competitors are surging ahead in the telecommunications revolution ("Government offers telecoms groups wider superhighway role",

What this means for the country and economy is that we will fall behind the world leaders in the development of a superhighway, and our citizens will be denied the tremendous opportunities which would be the immediate spin-off from e superhighway. The government has given a clear and concise No to BT's and Mercury's establishment of an infor-mation superhighway before at least 2001.

Whereas BT and Mercury can compete in European mar-kets they are prevented from doing so in the UK. Not only that, but they are also denied

the certainty of knowing when they will be able to enter the market here. What was hoped for from the government was a clear indication as to when BT and Mercury would be able to etart their promised £15bn investment. To wait until 2001 provides them with no incen-tive whatsoever to take up the offer of servicing areas not yet bid for by the cable companies. All the government has suc-

ceeded in doing is to ensure that Britain essentially leaves the race and comes in only when the rest of the world has developed fully and is on to the next revolution. We will still be trying to catch up and be falling behind in new developments and technologies. The economy suffers and the people

The government has denied to the UK the opportunity to pioneer new development for the good of the ordinary citi-

Graham Allen, shadow spokesperson on media and superhighways, House of Commons.

organised the largest rally in by the arguments of Mrs Gro any of the four prospective Harlem Brundtland, the formidable prime minister who leads the Yes campaign. She has warned that Norway could be sels. It was the biggest political dangerously decoupled from its demonstration in Norway since Nordic and European neighbours. "I think after a No vote, the second world war - even higger than any rally during the campaign in 1972, when Norway rejected membership we will have the same Norway that exists today," said Mr Jensen. "Our economy is strong it is the strongest in Europe." of the European Community in Norwegians' hostility to the In the Oslo crowd was Mr Skjalg Jensen, 27, who had

EU is based on a sense of their special place in European culture, a jealously guarded politi-cal independence, and the economic security gained from North Sea oil.

The very word "union" pro-vokes a grimace in a country that only gained independence from Sweden in 1905 and was occupied by Nazi Germany during the last war. As for political isolation,

many Norwegians believe that by joining the EU they would increase their separation from the seat of decision making. "It is already a long way from here to Oslo," say people in the regions. "We will be even further eway from Brussels." They are happy to confine themselves to membership of

ing the EU is a question of our values, and that is why we are The oil bonanza, meanwhile, has allowed Norway to indulge They say the politicians in its preference for a social sys-tem heavily weighted towards Brussels are the voices of the state welfare and lavish subsidies for rural communities. And fear of losing control of its petroleum and fish riches outweighs the mostly intangible



'Net' has been inescapable in Norway this year, though the lead in the polls has been eroded

ship might bring. Unlike both Sweden and Finland, which have recently suffered deep recessions, Norway has fared quite well, with relatively low unemployment (a total of about 8 per cent compared with 13 per cent in Swedan and 18 per cent in Fin-land). Warnings from the Yes camp that petroleum revenues will soon peak, exposing the weak state of Norway'e onshere industrial base, make little impression on many Nor-

economic benefits Ell member-

the generous redistribution of oil wealth. "A market economy for north Norway will never work," said Mr Mats Albinson, a docker from Hammerfest, at the Oslo rally. "Currently

wegians, made comfortable by

there is protection of the economy, but joining the Union implies there would be totally free access for outside competi tion. We are not fools - we've seen this happen before in other countries."

The counter-argument, that Norway could find itself excluded from European markets, also has little impact on the No camp. It believes that oil and fish can continue to be the backbone of the economy. because they are sorry for us," proclaims Ms Torhild Lamo, a No campaigner in the northwestern town of Bodo. "They

They don't trade with us

trade because they need what we've got. We have the natural resources, so I don't think that would be a problem." Mrs Brundtland hopes that

enough people in the urban areas, which are more populous than the regions, will reject these arguments. In the cities, her appeal for Norway not to vote itself out of the political and economic development of Europe shows signs of hitting home

But even if she wins, it will be an uneasy victory over the outlying regions, which have traditionally embodied Nor-way's national identity, "We are a very different country, we have different values and we are a different people. We want to protect the value of life in Norwegian society," said Ms Anne Enger Lahnstein, the principal leader of the No campaign, at a meeting in Oslo last week. It won her a standing

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL Fax 071 873 5938. Letters transmitted should be clearly typed and not hand written. Please set fax for finest resolution

Coal enterprise in UK's best interests

From Mr William F Morrell. Sir, May I ask whose interests are being served by the seemingly endless campaign to rubbish RJB Mining? This company'e efforts to secure intact a significant part of the UK coalmining industry serve the nation's best intereste ("Putting £1bn down the mines", November 23).

We each have a duty to see our considerable natural resources and expertise fully exploited. Surely we should appland, support and be thankful for such a display of confidence, enthusiasm and enter-A week and fragmented coal

industry brings more than misery to the already bard-pressed mining communities. It creates more than a little financial pressure on the mining equipment manufacturers which Rotherham S61 1LZ

belong to the association I rep-The army of public relations men and lobbyists who repre-sent the new leading players in the energy industry sees this

of a vast natural resource thet Even in a worst case sce-nario, supplying 27m tons per year, RJB projects huge success providing the industry remains intact.

breakdown as its goal. Ulti-mately, it will precede the loss

The UK sits on more than 1bn tons of coal reserves. These figures speak for themselves. Will no one else? William F Morrell. director-general, Association of British Mining

Equipment Companies, Webster Buildings,

Restrictions on radio licences inequitable way when GWR is restricted?

From Mr Henry Meakin.
Sir, Raymond Snoddy reported in one article on November 17 ("Capital may seek all four regional licences") thet Capital Radio "under the points system for limiting the

concentration of radio station ownership, Capital [Radio] has the leeway to buy a number of new licences or even e national commercial station" and that it might bid for all four regional licences that are due to be advertised. In a separate article in the same edition, he reported that GWR Group had been prevented from making an ecquisition by The Radio Authority ("GWR acquisition plan is blocked by Radio

Authority").

How can it be that Capital
Radio, one of the biggest independent radio contractors in the world and four times the size of GWR, can have this lee-

Surely the time has come for there to be a level playing field in the radio industry. The subject is presumably on national heritage secretary Stephen Dorrell's agenda, but is proba-bly not very high on the list of priorities: the industry is seen to be a success and not in need of emergency service. The reality is that the industry is a success despite the legislation and that the legislation needs

urgent revision. It should be the duty of The Radio Authority and the national heritage secretary to take urgent steps to eliminate euch restrictive ownership Henry Meakin.

chairman. GWR Group, PO Box 2345, 3B2, Westlea, Swindon,

Solution to share option tax relief for executives

Sir, It would be a pity if the government reacts to recent publicity about executive options by simply abolishing the income tax relief for approved "discretionary" schemes. This would unneces-sarlly penalise participants in the growing number of "all-em-ployee" share option schemes. which use the "discretionary" scheme legislation because of the inflexibility of the requirements for savings-related (SAYE) share options. It would also further encourage employ-ees to sell their shares immediately after exercising the options, instead of holding on

From Mr Michael Landon.

to them for a longer period.

If the government feels that
tax relief for "discretionary" schemes needs to be restricted. may I suggest that it is continued for all schemes where options are granted to employees generally. Limited tax relief should also be available for executive options, but only in respect of those shares which are still held for, say, two years after the option exercise date. Michael Landon.

senior consultant, The Wyatt Company 21 Tothill Street, London SW1H 9LL

Indicate money spent per pupil From Mr Tim

Beechey-Newman. Sir, Your inclusion of an indicator of social deprivation in the league table of school results ("Schools' league tables", November 22) is one step to providing more information about the achievement of the schools involved. How-

ever, if the additional educational needs index, from which your indicator was taken, is also an indicator of the amount of taxpayers' money spent per pupil, then it is misleading not to include this figure as well. Tim Beechey Newman, 20 Langford Green, London SE5 8BX

BSkyB to

£810m in

By David Blackwell

raise about

global offer

British Sky Broadcasting, the

satellite television venture,

launched its UK retail offer

yesterday without satting a

It is offering UK investor

36.4m shares out of a global

offer total of 343m shares. The

offer closes on December 6,

and the price will be set - in a

range between 233p and 268p

on the morning of Decembe

The lower price would value

the group at £4bn, while the

npper price would give a valu-

ation of £4.6bn. A price in the

middle of the range would

raise abont £810m, which

would be used with a new

bank facility to pay off debts.

how much they are prepared

to pay per chare, but applica-tions will be based on the

amount of money to be

invested. The minimum invest-

Investors can set a limit on

when dealings begin.

firm price for the shares.

North West links with Bechtel

Shares in North West Water rose 2 per cent to 529p yesterday as the biggest of the 10 UK water and sewerage companies announced plans to link up with US-based Bechtel Corporation, which is one of the world's top engineering and construction companies.

The two companies plan to establish a wide-ranging business partnership to pursue international opportunities. Bechtel, which led the restoration of Kuwait after the Gulf War, will also take on the management of North West's

Mr Brian Staples, North West's chief executive, said the alliance would bring substantial benefits to both partners.

£2.3bn capital investment pro-

North West, which has been one of the most active UK abroad, would benefit from Bechtel'e procurement practices. The UK company now expected to achieve savings on its investment programme above the 10 per cent indicated





Sir Desmond Pitcher, left, chairman of NW Water, and Riley Bechtel, president of Bechtel: pursuing international deals

able to step up its international expansion, while sharing the costs of marketing and development. Currently it is spendng about £10m a year.

For Becbtel, the link brings in-depth expertise in the rapidly-growing international water and sewerage market. Bechtel is buying North West's engineering division, which designs and builds treatment plants, for £15m.

The companies will form a

interest in the privatisation of water services has grown dramatically over the last two years. It is estimated that US municipalities need investment of about \$127bn (£77bn) to meet current Clean Water Act

North West's announcement almost overshadowed its interim results, which showed a marginal decline in pre-tax profits from £138.2m to £136.8m for the six months to Septem-

Profits were depressed by a £13.5m goodwill write-off on disposals.

The dividend was increased by 8.9 per cent to 8.35p (7.67p) from earnings down 13 per cent to 34.3p (39.3p).

COMMENT

North Weet appears to have staged a coup. None of the other water and sewerage companies forging links abroad have found such an internationally influential partner. Bechtel is renowned for its tough procurement practices and the link-up will do much to ease anxieties over thin margins on international contracts, which have plagued

North West's strategy for some time. The alliance is also bound to reduce the risk substantially. Oo the downside. privatisation in the US is slower in coming than expec ted, and international contracts still carry a certain degree of risk. Forecasts are for pre-tax profits of £290m before exceptionals and a prospective yield of 6 per cent. Its prospects are more encourag-

ing than for many of its peers.

ment is £500. The prospectus shows the group had 3.6m subscribers at end-September, up from 3.45m last June. Group revenues in the year to June 30 were £550m, mainly from subscriptions. Operating profits were £170m, pre-tax profits £93m

and earnings per share 6.8p. The group promises "to maintain a dividend policy that reflects the presently high cash generative nature" of the husiness. For the year to June the directors would have recommended a net dividend of

3.3p per share. The main shareholders are Mr Rnpert Murdoch's News Corporation; Pearson, the media group that owns the Financial Times: Granada, the television and leisure group; and Chargenrs, the French

industrial company. The group will be run by board of 19, with Mr Frank Barlow remaining as chairman and Mr Sam Chisbolm, who has played an important role in turning BSkyB round, as chief executive and managing director. Among 11 new directors will be Mr Gerry Rohin son, Granada chief executive, and Mr Jerome Seydoux, Chargeurs chairman.

The group 10 days ago sub mitted an affidavit to the High Court which estimated that total losses to the company in the first five months of this year through pirate card devices were £2.25m.

The prospectus says there has been some piracy, but "the directors believe that there has been no material loss of revenue over the past fiscal year as a consequence." The group said it had been advised that a loss should only be considered material if it was 5 per cent instead of the 0.5 per cent loss over the period.

Stoddard Sekers

Stoddard Sekers International, the carpet and furnishing fabric manufacturer, more than tripled from £167,000 to

export carpet markets had shown a "gratifying improvement".

Rothmans ahead of City forecasts with 18% rise

By Roderick Oram, Consumer industries Editor

A recovery in French cigarette prices and fast growth in Asia helped Rothmans International beat City forecasts with an 18 per cent rise in pre-tax profits from £233.4m to £275.9m for the six months to September 30.

Its European market share was down marginally, continuing a long-term decline because of dependence on local brands and Virginia hlend cigarettes rather than international brands and American blends. Lord Swaythling, chairman,

said market share was begin-

ning to stabilise thanks in part

to the success of Golden America, an American blend ciga-rette launched in several countries over the past two years.

By Skmon Davies

offer price in May.

European operating profits rose by 44 per cent to £70m (£48.7m) on sales np 6 per cent at £539.9m. After a price war in France last year, prices and demand improved in the latest period. UK sales rose from the

DRS Data warned yesterday

that continuing trading prob-

lems would result in disap-

pointing second half profits.

The shares were unchanged at

30p, compared with the 110p

The flotation of the scanning

equipment manufacturer has

een followed by a catalogue of

disasters, including a change in ownership of its main dis-

tributor and a collapse in

demand from schools, its larg-

there was no signs of a recovery on educational sales.

Schools accounted for about 70

per cent of sales last year, but

shortly after its share offer

The statement yesterday said

previous year which had been distorted by two Budgets.

The first costs savings from a European rationalisation programme announced in June were only just beginning to flow through by the close of the period, analysts estimated. Profits from the Americas. predominantly Canada, fell from £50.1m to £49.8m

although they had grown in

local currency terms. Asian profits rose to £59.6m (£46.1m) while Pacific profits fell to £28.3m (£29.8m) because of a price war in Australian and New Zealand and increased marketing costs.

Rothmans' worldwide cigarette volumes rose slightly. The main gains were in Japan and the UK. Sales revenue rose by 4.3 per cent to £1.27bm.

The interim dividend of 7.5p per unit will reduce net cash generated to £86.1m (£184.5m). Last time it paid no dividend because of payments associated with the capital restructuring of Rothmans and Dun-

Continuing problems at

DRS will hit second half

Share price (pence)

ings per unit were 19.7p (17.2p). Lord Swaythling reiterated the board's commitment to invest only cash generated in tobacco and in due course to give any surplus to shareholders. The largest is the Rupert family with a 61 per cent stake, The units rose 17p to 440p.

· COMMENT

Rothmans' caution on buying brands in emerging markets such as eastern Europe have made it look conservative conpared with Philip Morris and BAT Industries. Its willingness to invest, preferably in greenfield projects and Asia, is not in doubt but will take years to pay off. Meanwhile, the bottom line will benefit from the fruits of European cost cutting. Fullyear profits of about £555m are possible for earnings of 39p and a prospective p/e of 11. This rates the shares slightly above BAT and Morris but there is the attraction long term of a

decline in expenditure.

Welsh falls 36% on Acer losses

By Peggy Hoffinger

The controversy over the diversification policies of utilities resurfaced yesterday as Welsh Water announced disappointing interim results due to losses and charges in its largest non-regulated business

Pre-tax profits fell 36 per cent to £49.4m (£77.3m) for the six months to September 30, after exceptional charges of £28.5m. Turnover was 0.73 per cent lower at £259.9m. Excluding discontinued husinesses. sales rose by 1.8 per cent.

included £11.5m to cover rationalising the Acer motorway design business. The balance arose from a previously announced rationalisation in

Mr Nigel Openshaw, chairman

of McLeod Russel Holdings,

died suddenly on Thursday

An accountant, he joined the

board in September 1981. By

1987 he was group managing

director and by 1988 chairman.

He engineered McLeod's meta-

morphosis from a plantations group to its current position as a holding company with inter-

ests in surface coatings, air fil-tration, environmental engi-

neering and property investment.

This was initially achieved

in 1987 when the group sold 80

per cent of its Indian tea inter-

ests and when Kennedy Smale,

a glove manufacturer and

machinery distributor, took

over McLeod in an agreed

McKechnie

chief gets

62% rise

By Peter Pearse

dies suddenly aged 50

the core utility husiness.

Mr Iain Evans, chairman, said a significant number of UK motorway orders had been cancelled by the Department of Transport, leaving Acer with es of £2.8m.

Management had decided to cut 13 per cent of the 3,000strong workforce, with most of the johs going from the UK

Welsb paid £50m for Acer including £27m in debt, 21 months ago. It wrote off £40m against goodwill soon after the The company yesterday

faced renewed criticism over its diversification record, which includes unhappy forays into electricity and hotels under previous management.

"We are hearing the same story time and time agaio,"

said one analyst. Mr Evans denied that these were bad results. On the positive side. Welsh had cut underlying operating costs by about 1.5 per cent, Further benefit was expected from rationalising the utility, where more than 400 jobs would be cut. Weleb had also achieved

savings of roughly £4m on its capital spending programme. Mr Evans said the non-regulated businesses, with the exception of Acer, bad improved "dramatically". Profits excluding Acer had risen from £300,000 to £3.4m. The dividend was increased by 10 per cent to 9.3p (8.45p) from earnings down 37 per

cent at 31.1p (49.2p) or 49.4p (49.2p) before exceptionals.

COMMENT

It appears that Welsh has written off more than it paid for its Acer subsidiary, and the division is still making losses. Not eurprisingly the shares underperformed yesterday, falling 4 per cent against the sector's 2 per cent decline. Forecasts were pulled back from about £163m to £155m, before the £28.5m charge. On the plus side, Welsb Water has one of the strongest balance sheets and highest dividend covers among its peers. At some stage, this should feed through to sharebolders. For the

moment, bowever, the shares

McLeod Russel chairman | Cornwell Parker chief makes boardroom changes

At a board meeting yesterday Mr Jamee Leek was appointed chairman. He has been a non-executive director since May 1992. Mr Paul Humphreys, finance director, said Mr Leek would be spending an increasing amount of time with McLeod, and that the move had been made so quickly to ensure continuity As well as remaining group

for the group. Mr Leek is already chairman of Amberley Group, the USMtraded huilding preservation company, and a director of Caparo Industries, the steel products and engineering

On Tuesday, announced a 23 per cent rise in pre-tax profits to £6.36m (£5.16m) in the year to SeptemBy Peter Pearse

Mr Martin Jourdan, chairman of Cornwell Parker, has fol-lowed his downbeat trading statement at the end of October with boardroom changes at the furniture and fahrics group. "When trading is poor, people expect something to be done," he said.

over as chief executive of the fabrics division and managing director of the furniture side. Mr Tony Thomas in fahrics and Mr Jourdan's hrother Tom in furniture. While Mr Tom Jourdan will remain responsi-

chairman Mr Jourdan is taking These moves are displacing ble for manufacturing operations, Mr Thomas will

leave at the end of January. Mr

Martin Jourdan said Mr

16.6p (7.91p) per share.

Syltone 14% ahead

Syltone, the designer and man-

ufacturer of transportation

industry accessories, reported

a 14 per cent increase in pre-tax profits from £1.23m to

£1.41m for the six months to

at £21m (£18.9m). Earnings per chare were 5.01p (4.24p), or

4.89p (4.15p) fully diluted. The interim dividend rises to 1.71p

Mr John Clegg, chairman,

said the group's only disap-

pointing performance came

from Rotocold, its air-condi-

tioning subsidiary, where

action was heing taken to

"finally stem losses".

Turnover was up 11 per cent

September 30.

(1.625p).

Thomas was on a rolling twoyear contract and no payment above any contracted entitlement had been discussed.

The senior board was reorganised three and a half years ago to cope with expansion, "now we need to manage the business we've got, and we've got international manment talent we don't need", Mr Jourdan said.

There was also a need to "delayer" the organication between the top of the business and the shop floor. At subsidiary board level, one director was taking early retirement and three had left already.

As these events had happened early in the financial year, costs would probably cancel out savings, and benefits would show in the following 12 months, Mr Jourdan said.

Earnings per share came out

more than trebled

Interim pre-tax profits at

Operating profits increased from £583,000 to £963,000 in the six months to September 30, on turnover 6 per cent ahead at £29.2m (£27.4m). Mr Hugh Laughland, chair-man, said the group's opportu-nities in the contract and

Earnings per share emerged at 0.7p (0.1p) and the interim

Malcolm Barr steps down to end feud

By Richard Wolffe

Mr Malcolm Barr agreed to step down as chairman of Barr & Wallace Arnold Trust yesterday in a boardroom shake-up, which spells an end to the family feud at the motor and leisure group. Mr Barr, who is also the out-

going chairman of the Leeds Permanent Building Society, gave way to pressure from rebel shareholders led by his nephews, Nicholas and Robert Barr. The brothers, who speak for almost 30 per cent of ordinary voting shares, are joining the board along with their fellow rebel shareholder, Mr Kerry Firth.

The boardroom deal came after an EGM had dissolved into chaos as the warring parties held a series of frantic talks in front of shareholders. The EGM failed to start and was eventually adjourned until Monday while financial advisers attempted to negotiate a deal to end the feud.

The board had wanted to enfranchise the non-voting A shares, which represent 80 per cent of the equity and are owned almost entirely by institutions. However, the rebels won support from shareholders

representing more than 50 per cent of voting ordinary shares. Enfranchisement now seems likely to be voted through at the reconvened EGM next week. A second meeting had been requisitioned by the rebels to remove Mr John Parker. chief executive, and Mr Brian

were reconsidering the need

for DRS's main product the

Optical Mark Reader, following

recent relaxation in National

Curriculum requirements.

Small will stay on the board as part of the latest deal. The agreement follows six weeks of acrimonious dispute between the Barr generations over the future of the family business. The brothers wanted to demerge the two divisions to unlock shareholder value. The board countered with warnings from motor manufacturers that the new company could lose its

lucrative car dealership fran-

Small, finance director. How-

ever, both Mr Parker and Mr

Before details of the deal emerged, Mr Nicholas Barr denied that his uncle's departure would resolve the dispute. "That would make it sound extremely personal, which it is not," he said. "Much has been said about family feuding and clearly there are differences of opinion. But this is not a personal issue, it is a commercial

Malcolm Barr will

Bristol Post ahead at £4.78m

ing profits and collapsing sales.

corpses of disastrous flotations.

only Aerostructures Hamble

has performed worse, closing

yesterday at 25p, compared

with its offer price of 120p.

In a year littered with the

By Geoff Dyer

belped lift interim pre-tax profits at the Bristol Evening Post by 54 per cent, from £3.1m to £4.78m.

Excluding the £1.24m profit from the sale of the New. Broadmead site in Bristol, the pre-tax figure rose 14 per cent to £3.54m in the 26 weeks to September 30. Turnover rose only 1 per

cent to £30.4m (£30.1m), in part because of a reduction in the number of Kiosk retail stores from 78 to 62. Retail activities recorded an

increase in operating profit of £398,000 (£215,000), up 85 per

Operating profits from news-paper publishing and printing rose 26 per cent from £1.31m to 21.66m, on turnover of 217.3m (£16.1m). Mr Keith Sadler, finance director, said advertising revenues for the half were up from £10m to £12m, after a good first quarter but poor second quarter. Earninge per share

increased from 8.47p to 12.28p, with the underlying figure up 9 per cent at 9.3p. The interim dividend is 4.5p (4.25p).

Asprey loses some of its sparkle

оле."

become life president.

Mr Michael Ost, chief executive of McKechnie, the plastics and metals components group, received a pay rise of 62 per cent for the year to July 31, taking his earnings to £275.748.

Mr Ost's basic salary rose from £145,000 to £185,067, while his performance-related bonus climbed to £65,519 (£13,431). Among other benefits, he also received pension contributions of £13.116. Mr Ost's pay is decided by a

committee of non-executive directors. The bonus is set by a formula covering the percentage increase in earnings per share over four years and the achievement of tha cashflow budget for that year. McKecbnie's earnings in 1993-94 were 27.1p (22p in 1990-91). In 1993-94 its net cash inflow before financing was £2,05m.

Vistec shares fall Shares in Vistec fell 6p to 13½p yesterday after the USM-

Cleveland Trust

Drayton Blue ...

DIVIDENDS ANNOUNCED

Current Date of

payment

Feb 6

Jan 20

Jan 24

Jan 9

Jan 13

Dividends shown pence per share net except where otherwise stated. †On

increased capital. §USM stock. * Gross. *tincluding special dividend of 0.4p.

payment

2.905

NEWS DIGEST quoted computer systems, software and services company reported lower interim pre-tax profits and warned that the full-year result would be "sub-

stantially less than last year". Despite a 44 per cent rise in turnover to £25.4m (£17.6m) pre-tax profits for the half year to October 31 fell from £1.13m Mr Arthur Morton, chair

man, said the year had started well but that during the second quarter trading profits had declined. He cited three reasons: tha ending at Sphinx Level V of the supply agreement by Informix; the performance of recently acquired ISO Communicatione and Data Logic Communication Services; and margin reductions in desktop computer markets because of competition. Earnings per share slipped to 0.41p (0.62p) but the interim dividend is held at 0.125p.

James Latham

Nearly doubled pre-tax profits months to September 30.

2.905

of £1.14m against £598,000 were announced by James Latham. timber importer and building materials merchant, for the six Turnover was up 15 per cent

Cleveland Trust Cleveland Trust, the industrial property investment concern. ed pre-tax profits from £80,000 to £382,000 for the six months to September 30. Turnover grew to £911,000

(£393,000) and earnings per

share came to 2.5p (1.7p). The

interim dividend is 2.4p (nil).

Fleming High Inc Net asset value per share for Fleming High Income investment Trust was 99.85p at October 31, compared with 101p at tha April 80 year-end and 106.2p a year ago. Net revenue for the six months fell from £860,000 to £743,000.

to £40.4m, against £35.1m which included £479,000 from at 2.29p (2.67p). The board has declared an unchanged second discontinued operations. Mr Christopber Latham, the chairinterim dividend of 1.1p. man, said it was the first time since the onset of the recession Dart rises 15%

that sales from all the trading activities had been over target. A 2.25p (1.5p) dividend is heing paid from earnings of

Interim pre tax profits at Dart Group, the distribution and aviation services company, advanced 15 per cent from £1.25m to £1.44m. Sales for the half year to Sep-

tember 30 edged ahead from £27m to £27.5m. Last year's figure included turnover from Dart's holding in Benair Hong Kong, sold in December.

The rise in earnings per share from 5.8 to 6.5p lifts the dividend to 1.5p (1.3p).

Coal side hits GWR Great Western Resources, the US-based energy company announced increased pre-tax losses from \$8.98m to \$12.8m

(£7.8m) for the year to Septem-A market valuation of the coal division, where operating costs were higher than expected, was being undertaken. A sale could result in "a substantial book loss", the company

Revenues were \$138m (\$123m). Net losses of \$11.1m (\$7.1m) gave losses per share of 10 cents (3 cents).

Archer raising £6m

Archer, the Lloyd's agency, plans to raise £6m in a private placing to invest in the Lloyd's of London insurance market. Abbey National

Abbey National's recom-

mended £56m offer for House-

bold Mortgage Corpn, the UK's

largest centralised mortgage

lender, bas been declared

unconditional in all respects.

dividend is held at 0.75p.

Despite the unseasonably warm weather, a chill wind has been blowing through the elegant showrooms of Asprey, the exclusive jewellery retailer whose various businesses are scattered along the streets of London's West End.

Indeed, Mr Naim Attallah, chief executive of the group he refers to as "the most luxurious gift shop in the world", suggested last week that the super-rich had not only been absent from the group's London stores, but that "it's the same in the United States, Switzerland and even on Avenue Montaigne in Paris".

However, as Asprey revealed a fall in pre-tax profits to £3.01m (£12.2m) for the six months to September 30, he suggested that there had been a small improvement in the weeks since the profits warning of September 9.

expansionist moves of the past

few years. To a group contain-

ing the core Asprey business with three outlets, he added

He will be hoping that this Improvement continues or watchers of the group will question the wisdom of his



Naim Attallah: retail stock ranges from £23.50 to more than £4m

in 1990, Watches of Switzerland in 1992 and Les Ambassadeurs, a watch and jewellery retail chain, in 1993. The 1993 launch of Zeus, "an experiment" aimed at younger shoppers, took the group yet further from its known territory.

Garrard is the kind of shop where most items have no price ticket, presumably on the assumption that if you need to ask, you can't afford it. Its most expensive item retails at 22.8m, while M&W's costliest bauble is a snip at £95,000. Asprey's stock ranges from a

Burma ruby and diamond suite at more than £4m to a heron dish at £23.50 which, strangely, is the same price as a Swatch watch, the cheapest item at Watches of Switzerland The acquisition drive has

broadened the customer base away from the rarefied world of Arab princes, heads of states and governments on which the group used to depend. This was Mr Attallah's intention. He maintains that otherwise

the group would be at the financial mercy of the whims of "certain overseas customers". In this, he has the broad agreement of Mr Arnaud Bumberger, managing director of Cartier in the UK, who says: We are not having these problems at the moment, but we might tomorrow."

the sharpest turnover fall - to £29.6m (£39.3m) - was at the core Asprey business Garrard's turnover was flat at £11.7m and Mappin & Webb's slipped by £1m to £16.2m. Profits at Watches of Switzerland were lower as a result of the growth of overheads as the company expanded from 26 to 33 outlets, but its turnover grew to £15.5m (£13.7m).

base contains many who were relatively rich in the 1980s but have since tightened their belts. And Mr Attallah fumed at the government's lack of understanding of psychology, railing at the bad timing of the upcoming Budget: "We have had a quiet November, because people are deterred from Christmas buying when they

for schools to build up ca serves, with a corresponding Nottingham Group, the educational products supplier, also revealed declining sales to schools in the first half of 1994, shortly after its March flota-DRS said the collapse in sales was unforeseeable at the time of its share offer. Mr Malcolm Brighton, founder and managing director, made about £3.5m from the offer. The company's shares fell 58 per cent last September, after its interim results revealed declin-

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THE STREET

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In Asprey's interim results,

Asprey's expanded customer

will be after next week."

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The state of the s

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of City Note: INTERNATIONAL COMPANIES AND WEBSCHILL TIMES W

The Volkswagen share price suffered yesterday as the com-pany announced plans to slash capital investment and reports circulated of intarnal profit forecasts which fell far short of

analysts' expectations.

After trading up during the day, the automotive group's shares shed more than Dai6 towards the close, ending DM3.70 down at DM451.80.

The company last night refused to confirm or comment on the existence of a document reportedly presented at a meeting of the supervisory board yesterday which showed the management expected pre-tax profits in 1995 of DM890m (\$571.17m).

The document was also reported to say the outcome could be up to DM200m higher or lower, and added that sales would rise only modestly next year and it would be difficult to increase prices. According to the Reuters

news agency which said it had copies of the paper, the management forecasts were far more gloomy than those of stock market expectations,

By Nikki Talt in Sydney

Australis Media, Australia's

would-be pay TV operator, said

yesterday that it was holding

talks with Mr Rupert Mur-

doch's News Corporation, but

declined to be drawn on the

Australis holds one of the

two commercially-available

satellite licences for the Aus-

tralian market and has pledged

to deliver the nation's first

pay-TV service early next year.

But it has come under increas-

ing pressure from the big exist-

ing media operators - notably

Mr Kerry Packer and Mr

By John Ridding in Paris

Gitanes cigarettes.

Crédit Lyonnais, the French

state-owned bank, has been

appointed to study the priveti-

sation of Selta, the state

tobacco monopoly which man-ufactures Gauloisea and

The economy ministry said

that no decree had yet been

issued for Seita's privatisation and that Crédit Lyonnais would study the mechanisms

and technicalities of a possible

privatisation. Seita is one of 21

nature of these discussions.

The agency quoted one analyst describing such a result as "depressing", although others found it hard to believe the figures were correct, suggesting the management could have massaged the dota to present as poor a picture as possible to the supervisory

Under German accounting rules, companies commonly add to or draw down hidden reserves at any time without publicising sucb

While investors are convinced that VW is set to rebound strongly from its net DM1.94bn losses last year, management may want to play down the extent of the recovery while it is still trying to cuts costs and increase productivity. Mr Ferdinand Piech, group

chairman, recently angered his competitors with a downbeat assessment of the car markat's prospects wblch hit all automotive groups'

VW may also want to paint as black a picture as possible

Australis Media confirms it is

in talks with News Corporation

formed consortia with local

telecommunications groups

and are holding out the prom-

ise of rival cable-based sub-

scription services in the not-

There has been speculation

that this pressure will lead

Australis to team up eventu-ally with the joint venture set

up by News and Telecom, the

large government-owned tele-

communications group, cur-

rently installing a national cable infrastructure. The three

companies could then pool

their programming, subscriber

management and delivery

resources. News, through its

ownership of Fox film studios.

Industry observers played

down the prospect of a rapid sale. The French government

has already netted more than

FFr60bn (\$11.2bn) this year

from its privatisation pro-

gramme, compared with a target of FFr55bn. Mr Nicolas Sar-

kozy, the budget minister,

indicated last week that no fur-

ther privatisations would take

place in 1994. The government is, however,

public sector companies slated in the midst of the privatisa-

Study starts into privatisation

of French tobacco monopoly

too-distant future.

which were mostly based to enhance its chances of suc-on earnings wall above cess with its current lobbying cess with its current lobbying exercise in Bonn for government subsidles.

The company wonts funds for a "scrapping premium" scheme similar to those used earlier to liven up the Spanish and French car markets. Ordinary car owners were paid sub-stantial sums to trade in cars over 10 years old for new mod-

VW says more than 20 per cent of the German car market would stand to gain most, while other groups such as Mercedes and BMW are believed to be strongly against subsidies which would appeal mainly to owners of lowerpriced cars.

The non-executive supervisory board, which is dominated by worker representatives and Social Democrat politicians, yesterday approved a sharp cut in medium-term investment plans, which reduces the fiveyear budget for 1995 to 1999 to DM58.5bn compared with DM69bn for the current budget to the end of 1998.

The total will be divided virtually equally between the fac-tories and the group's financial

could contribute programming,

and also subscriber manage-

Confirmation of the talks

with News was given by Mr

Rodney Price, Australis' chair-

man, at the company's annual

meeting in Sydney yesterday. However, he also disclosed that the company bad just

secured a partnership agree-

ment with Sony Pictures,

MCA/Universal, and Para-

mount for the provision of gen-

eral entertainment program-

Mr Price repeated the

group's determination to

launch a pay-TV service in the

from potential investors seek-

ing to take stakes in the com-

pany. The government is also

eager to launch the privatisa-

tion of Assurances Générales

de France, but is awaiting improved stock market condi-

Seita, which makes matches

as well as cigarettes, reported a

first-half net profit of FFr254m

and predicted a rise in full-year

profits, compared with the

ment

nine months By Christopher Brown-Humes

ahead 83% at

Skanska, Scandinavia's largest construction and property group, increased pre-tax profits by 83 per cent to SKr2.72bu (\$365m) in the first nine mooths. Expanded international

operations, reduced interest costs and higher dividend income offset the slump in the Swedish building market and lower rental reveoues.

The figures included SKr879m dividend from the winding up of the investment group, Protorp. There was a 4 per cent drop

in nine-month operatiog income to SKr1.87bn from SKr1.95bn, reflecting a worse performance from the Swedish construction unit and lower rental revenues after property divestments late last year. But the downturn was offset by SKr857m ln financial

income. In the same 1993 period, the group incurred SKr466m in expenses. The Swedish construction side saw operating profits fall to SKr363m from SKr412m as

revenues fell 7 per cent to SKri0.3bn. Low demand and depressed prices characterised the domestic market, now in its fourth year of recession. Residential construction is being held back by high interest rates with housing starts falling to 5,800 from 7,400. The

company says the market should have touched bottom, with bigher road and civil for sale, or already sold, by the centre-right government of Mr the computer manufacturer. engineering activity helping to offset low bousing construction business in the next year. accounted for 46 per cent of total order bookings of SKr27.4bn against 27 per cent

of SKr17.6bn in 1993 . International construction revenues jamped to SKr6.9bn from SKr4.4bn and operating iocome climbed to SKr47m from SKri6m. Skanska saya its full-year

profit, excluding the dividend from Protorp, will be consider-ably better than last year's

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Mr Dieter Bock, chief executive of Lonrho, yesterday began to fulfil his promise to dispose of his outside interests when he announced the sale of a controlling stake in Kempinskl, the German hotel group, to a leading Thai hotel company.

Advanta Management, Mr Bock's German property com-pany, said it was selling its stake of just over 50 per cent in Kempinski to Dusit Sindhorn, a Thai joint venture between Dusit Thank, the hotel company, and Siam Sindhorn, a That property investor.

The purchase price was not

Rempinski shares on the Frankfurt stock exchange. Kempinski shares rose DM10 vesterday to close at DM850. The deal will be completed on December 5. Mr Bock's pletige to sell his

outside interests came this month when he won his battle to persuade Mr Tiny Rowland. his fellow joint chief executive, to quit the Lonrho board. There had been speculation tbat Kempinski would be merged with Lonrho's Metropole hotel chain. Any such

merger would have been complicated, however, by the Libyan government's 33 per

botel, in Dresden, the sale comes at the end of a long struggle to find a partner. in 1992, Kempinski, then 42.6 per cent owned by Lufthansa, the German airline, was forced to abandon plans to merge with Meridien, the luxury botel chain controlled by Air France. Instead, Lufthansa sold part of its stake to Advanta. Today, Lufthansa owns 20.2 per cent of Kempinski, with the remainder beld by other investors. Air

UK hotel group, earliar this Kempinski yesterday paid

France sold its 57 per cent stake in Meridien to Forte, the

the company achieved a much stronger position in Germany. Advanta assisted in the merger of the company's German and were previously separated." Kempinski said Advanta had also assisted it in obtaining hotel management contracts.

The German chain said Its link with the Thai joint venture would give it a stronger position in the Asian region, the world's fastest-growing travel market. It said the Kempinski name would be main-

Dusit Thani said earlier this year that it was keen to

expand outside Thailand, Khunying Chanut Piyaoui, tha group's founder and managing director, said: "I would like to invest overseas, not to make a lot of money, but because want to present Thai customs tradition, art and culture, food

and hospitality."

Berliner Handals and Frankfurter Bank said it sold its 10 per cent stake in Advanta Management to a US investor at the end of October,

reports Reuter.
A spokesman said the bank had long intended to sell the stake. He said the sale bad nothing to do with bourse spec-Advanta had run into financial

Skanska profit | Morita resigns as chairman of Sony

By Michlyo Nakamoto In Tokyo

Mr Akto Morita, one of Japan's most unconventional yet highly regarded businessmen. chairman of Sony for bealth reasons.

Mr Morita, aged 73, who is recovering from a brain haemorrhage be suffered a year ago, becomes bonorary chairman and Mr Masaru Ibuka, with whom he co-founded Sony, will become chief adviser. Mr Norio Dhga remains president and chief executive officer.

The post of chairman has not been filled. While Mr Morita's resignation was generally axpected

after his absence from the company's day-to-day husiness since last November, the news "was a shock to everyone" at the consumer electronics company, a company official said. "Employees who are in their middle years have great trust

in Mr Morita, who is regarded as a kind of god - although it is rather odd to describe him in those terms," a Sony official commented. But it is not just Sony that is losing a leader. Mr Morita is

one of Japan's last remaining symbols of its spectacular rise from a war-devastated country to the world's second largest economy. He ranks with the likes of Mr Konnosuke Maisushita, founder of the world's largest consumer electronics company, and Mr Shoichiro Honda, who started the motor company carrying his name, for bis contribution to the country's post-war success.

The company be co-founded grew from a small appliance repair shop in the wreckage of enterprise with annual sales of almost V4.000bn (\$40.63bn), It also acquired two symbols of US cultural heritage - the former CBS records and the Columbia movie studios. While Mr Ibuka was the

engineering genius behind Sony and established the company'a reputation as the standard-bearer for high quality consumer electronics, Mr Morita is credited with building Sony into an international

operation, earning it a reputation for bringing out one hit product after another, from Trinitron colour TVs to the Walkman portable cassette and CD players.

His international ontlook took Sony into overseas markets and led to the company setting up production outside Japan years before giobalisation became a trend among Japanese manufacturers. He spent three years living in the US at a time when few Japanese corporate executives ven-tured to live outside the country.

He has also been behind the early appointment of foreign nationals to executive posts at Sony's overseas companies and in his later years spent much of his time representing the Japanese business establishment at home and abroad.

The personable Mr Morita who is said to have related comfortably to Sony employees regardless of rank, has also been seen as the inspirational force with the ability to pull the ranks together in a common cause.

Unlike the Sony which Mr Morita, together with Mr Ibuka and later with Mr Ohga, was able to guide by virtue of his forceful yet charismatic character, the company is now an unwieldy organisation suffer-ing the pltfalls of over-exten-

Last week, the company said that as a result of poor perfor-mance at Sony Pictures, for-merly Columbia, it would write Y265bn off the value of its films arm. The write-off, which came after substantial investments in the Hollywood atudio under its former head and a dismal year at the box office, net loss.

"The era in which the company can be led by two people is over," says one Sony official. To cope with its anlarged operations, Sony earlier this year restructured the group's activities into eight group and division units, each headed by a company president. The aim is to give greater autonomy and enable them to be more market responsive. Mr Morita's departure also

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Akio Morita: built Sony into an international operation

men and public officials.

comes at a time when Japan's consumer electronics industry is under great pressure. The yen's sharp appreclation against leading currencies, the saturation of the domestic consumer electronics market and the changes in consumer electronics, computing and communications, are threatening the status, if not the survival, of some of Japan's most successful companies.

Mr Morita, an activa business ambassador for Japan in his role as chairman of the Japan-US Business Council. will be missed for the role he played in promoting understanding with the west and in representing the Japanesa point of view to western business leaders who often misun-

derstood Japanese reticence. His outspokenness and unorthodox views have won him some critics in Japan, but many more supporters overseas and among Japan's more Mr Morita, for example, has

advocated shorter working hours and better pay for Japanese workers, much to the annoyance of many employers, and called for greater liberalisation of Japanese markats. Such views, and his cosmopolitan manner, have won him admiration as the antithesis of the dull, hive-suited, conservative Japanese business execu-

Although his forthright manner was at times used against him, be was always widely respected and admired for his ability to say what many thought but were afraid to

As he steps out of the limelight of corporate Japan, the country has ambarked on a path towards greater deregu-lation and become more ont-spoken in defending its views. Many would agree that tha change owea much to the progressive-minded business- efforts of Mr Morita.

Few surprises from Deutsche Telekom

By Nicholas Denton, Andrew Fisher and Richard Lapper

The distribution of mandates for Deutsche Telekom's privatisation has been so heavily, and accurately, trailed that the actual announcement yester-day contained few surprises. That Deutsche Bank - whose chief

executive is Hilmar Kopper - and Dresdner Bank would be in the key international consortium was never seriously in doubt. "This is a great day for a German bank to have such a prominent role In such a significant issue," said Mr Ronaldo Schmitz, director of Deutsche Bank's investment banking operations.

The focus of international interest was on the choice of international investment bank to give a geographical balance to the global consortium. But nor was there any astonishment

that the German government chose Goldman Sachs as the third member of the global consortium. Ever since Germany decided to go for SEC registration for Deutsche Telekom and a full US listing the participation of a US investment bank was well-nigh inevitable. Goldman is the pra-eminent US investment bank in Europe and has established close links with Deutsche

was always regarded as the investment benk to beat. Goldman's expression of the ritual investment bank "delight" and "hon-our" carried more conviction than that of many competitors who came in but with more humble roles.

Telekom over the past four years. It

"Winning this mandate is en impor-tant strategic development both for our telecommunications effort and for our German operation," said Mr Robert Morris, managing director of interna-tional telecommunications equity research at Goldman Sachs and one of a team of core axecutives for whom the deal has been a top priority for nearly

four years.
"It goes to the roots of Goldman equity. Wa Sachs, which is built upon equity. Wa are proud to be involved in the world's



of Deutsche Bank

for growing volumes of international equity business, it has been "book-run-ner" in eight separate deals, ranging from Den norske Bank to Tele Danmark, to huge Asian deals, such as Indoeat, the Indonesian long-distance telecommunications concern. Sales from 11 separate tranches of shares in these deals amount to \$3.27bm.

Competitors conceded that Goldman's achievement was a testament to the US firm's long effort in positioning Itself for tha deal. But one London-based executive said: "Goldman have got a great headline position but from their position the devil is in the detail."

A global co-ordinator generally takes a lead role in most regional markets. Goldman has such a position in the Americas, but as joint rather than sole lead. The firm has not won inclusion in the other areas: UK, the rest of Europe and Asia. "Goldman is a global co-ordinator with a difference," said one rival. The regional consortia matter because, as one investment banker said, are product and the said, "sales are the guts of it". Fees for livestment bankers are expected to amount to 2.5.2 where the said, "sales are the guts of it". Fees for livestment bankers are expected to amount to 2.5.2 where the said, "sales are the guts of it". Fees for livestment bankers are expected to amount to 2.5.2 where the said, "sales are the guts of it". This year comment banks competing amount to 2.5-3 per cent of a total trans-



of Deutsche Telekom

action that will at DM15hn (\$9.6bn) be larger than all German IPOs of the past eight years combined. Of this commission pool of about DM450m, only about 20 per cent goes to the managers of the transaction, 20 per cent to the under-writers and a full 60 per cent to the

Warburg had hoped for four banks in the global group and was disappointed only three were chosen. Mr Maurice Thompson, head of equity capital markets at S.G. Warburg of the UK, said:
"We had obviously boped for a more crowded top line and a position in it."

So Warburg can regard its position as sole lead of the UK tranche as a geoerous consolation for its failure to win a place in the global group. Warburg was the only bank to gain a sole lead role in any region. The bank was buoyed too by indications from Deutsche Telekom, whose chief executive is Mr Helmut Ricka, that about 20 per cent of the total issue would be allotted to the UK, about the same as that earmarked for US investors.

the issue will be sold in Cermany by a See Lex

consortium led by Deutsche Bank and Dresdner Bank. As for other banks that pitched for work in the exhaustive and exhausting tender process, there is something for everyone, almost. Dne source close to the German government said ovar 100 banks would be involved. CS First Boston's tactic of concentrating its efforts on the role of government adviser has paid off. A CSFB executive said: "The excitement of investment

He attributed the bank's success to the European character imparted by the link with Credit Suisse and a "polyglot structure and mix of nationalities". Other winners included N.M. Rothschild, which is to advise Deutsche Tele-

banking is all to do with moments like

kom itself. The losers are less easy to identify. Merrill Lynch had been tipped as a global co-ordinator and the government's, as opposed to the company's, favourite. It has had to make do with a place in the American consortium, a bitter pill sweetened by the fact that Merrill is joint lead with Goldman Sachs and Deutsche Bank.

Kleinwort Benson had lobbied hard for a lead role. But the investment bank was only three years ago reeling after a series of defections and embarrassments. It said it was disappointed not to have won a lead role but privately delighted to have an important role as co-lead of the UK tranche.

NetWest is also co-lead but a surprising absence is Barclays de Zoete Wedd, which had competed strongly for the deal. "The big prizes can't be given to everybody," said Mr Andre Teeuw, bead of BZW in Germany. The competition for Deutsche Tele-

kom may have been fierce and the fees the largest on any privatisation issue. But some bankers said work would not be particularly lucrative, after the work of pitching for a deal and executing it was accounted for. "Privatisations when everything is

considered are attractive but not very profitable," said a CSFB executive. "You hope it positions you for more private-sector business with the com-

The British **Investment Trust**

The British Investment Trust aims to achieve long term capital growth from a portfolio of international investments and secure for shareholders regular Increases In dividend.

Company Half-Year Financial Highlights as at 30th September (noaudited)

	1994	1993*
Net Asset Value Per Share	231p	220p
Ordinary Shareholders' Funds	\$722m	£687m
Dividend Per Share	2.1p	2.0p
estated to reflect the change in accounting policy for div a dividend basis with effect from 1 april 1994.	idend income from a payme	nt date basis to an

Please send me a copy of the 1994 Interim Report

To: The Secretary The British Investment Trust PLC,

Donaldson House, 97 Haymarket Terrace, Edinburgh EH12 5HD.



Past performance is not necessarily a guide to future performance. The value of shares and income from them can fall as well as rise and investors may not get back the amount invested. Member of IMRO



Turbulent times: the storm may have hit the markets but will the damage last?

London

Atlantic storm does its worst

And shares remain vulnerable, says David Wighton

he saloon bar weather forecasters were definite. "Roses still hlooming in November? It's not natural. It can't last," they declared at the start of the week. "The Footsle still over 3,100, with 10-year gilts yielding 8.6 per cent? It can't last," echoed the gloomier City forecasters.

The meteorological cold snap has yet to arrive, but the financial storm duly hit on Tuesday. The map looked all too familiar, with low pressure over the Atlantic leading to precipitating share prices in London.

The FT-SE 100 index jost 42.3

points on Tuesday as New York started to elide, and tumhled another 51.2 points on Wednesday after Wall Street ended the session down almost 2½ per cent. With Wall Street closed for Thanksgiving on Thursday, there was then a nervous calm as the City peered at its barometer. Members of the Michael Fish school of forecasting ("hurricane, what hurricane?") saw the events as a healthy correction. Those of a more apocalyptic frame of mind announced the beginning of the end.

Nick Knight, equity strategist at Nomura, advised investors to "sell while you still can". His equally gloomy rival at Panmure Gordon, Robin Aspinall, declared himself "quite certain" the Footsie would hit 2,750 before Christmas on the way to 2,200.

That might still happen. But when New York traders returned to their desks yesterday, full of turkey and pumpkin pie, the wind had dropped. New York started brightly and there was little change in London shares, leaving the Footsie at 3,033.5, down almost 100 points on the week.

There was plenty to worry about at home, too. Despite the cabinet's so-called suicide threat, it seemed at least possible that Tory hack-benchers would call its hluff over the European Union finance bill on Monday. And there was mounting unease about what Tuesday'e Budget might bring.

In particular, the fear has resurfaced that chancellor Ken-

neth Clarke will return to the subject of advance corporation tax. The cut from 25 per cent to 20 per cent, announced by Norman Lamont in March last year, released £1bn annually for the exchequer by reducing the tax credit that pension funds, and other tax-exempt investors, can claim on divi-

The money was generated at relatively little political cost, and there must be a chance that Clarke will come back for more. But reducing the rate cuts institutions' income from equities — so such a move would hit share prices, particularly high-yielding utilities, by making them less attractive compared with gilts.

UK institutions have been moving into gilts over the past couple of months, narrowing the yield premium they offer over US government bonds and over UK equities. The process accelerated sharply this week, with the yield on 10-year gilts falling from 8.5 per cent to below 8.5 per cent while the yield on the FT All-Share index pushed back through the 4 per cent level.

That cut the ratio of yields on gilts and equities from 2.23 to just over 2.13. The doomsters point out that, at present gilt yields, the FT-SE 100 index would have to fall to 2,600 to bring the yield ratio down to its opening year levels.

ut the retio is now close to its long-run average. As for the comparison with US Treasuries, glits have further ground to make up, given the UK's better inflation outlook. There were some warning

There were some warning signs this week. The Confederation of British Industry's monthly survey showed an increased proportion of manufacturers planning to raise prices to offset higher raw materials costs. Earlier in the week, Courtaulds joined the chorus of companies complaining about squeezed margins and said it would put up its fibre prices by between 5 and 15 per cent in January.

fibre prices by between 5 and 15 per cent in January. Yet, even if these increases stick, it is debatable if they

will be passed on to consumers. Still suffering from the over-expansion of the 1980s, retailers are finding it extremely difficult to push through price rises – as BHS and Mothercare admitted this

All this is encouraging City economists to stick to their inflation predictions. Indeed. Bill Martin of UBS, one of the leading pessimists, has just cut his inflation forecast for next year by 1.25 points to 3.5 per cent. As a result, he now forecasts base rates of 8 per cent at the end of 1995, rather less than the markets are expecting. Lower inflation means investors will require a lower yield on equities, so UBS has increased its target for the FT-SE 100 to 3,200 for the middle of next year and 3,400 by

Meanwhile, the interim reporting season continued to produce very healthy dividend increases. Granada, Tate & Lyle and Vodafone all announced rises of more than 10 per cent and water company shareholders felt the benefits of the industry's comfortable new price corsets. Even the back marker, South West Water, offered an 8.3 per cent rise, while Yorkshire pledged to provide growth of 5 per cent per annum after inflation for

the next five years.

The market was not impressed, though, with both water and electricity shares having a poor week. In part, this reflected nothing more sinister than a bit of profit-taking. But there were also also renewed worries ahout Labour's proposed windfall tax

on the profits of utilities.

That apart, the climate looks quite favourable for equities.

Yet, UK share prices will remain vulnerable to turbulence in New York, where the hehaviour of retail investors

With interest rates rising and share prices returning to the level where many investors bought, it would be no surprise to see a rush for the door. Until that threat passes, UK equities are unlikely to enjoy an Indian summer.

Wall Street

The market gives a simple message

Tony Jackson explains the reasons for a fall which had to happen sooner or later

ith the benefit of hindsight, this week's plunge on Wall Street was an accident waiting to happen. For months, bonds had been getting cheaper and stocks had not. Last week's sharp rise in the discount rate merely prodded stocks into action. Whether they are hack into line is a more ticklish question.

The point is illustreted by one simple statistic. At the start of February, just before the Fed first raised rates, the long bond was yielding 6.3 per cent and equities 2.7 per cent. By last week, the bond yield had risen to 8.2 per cent and equities to only 2.9 per cent.

To put the same point in s

different way, the yield ratio rose over the period from 2.4 to over 2.8. Though this may seem e little arcane, its significance lies in the fact that the normal range for this ratio is between 2.2 and 2.6. The last time it reached 2.8 - that is, the last time equities were so expensive relative to bonds - was before the crash of 1987 (it went on to peak at the crazy level of nearly 3.6).

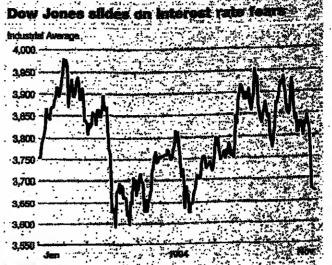
It might seem surprising that retail investors, at least, should have tolerated this. After all, one of the most striking phenomena for equities in the early 1990s was the surge of private savings into mutual funds, when the return on cash was very low. When the Fed began to push rates up in February, that money ought to

hindsight, this week's plunge on Wall Street was waiting to happen. bonds had been per and stocks had ek's sharp rise in have started moving ont. Instead, investors seem to have assumed that the strength of US economic recovery would push up corporate earnings and therefore stock prices, thus providing capital gains to make good the shortfall in

It therefore came as a blow to realise last week that the US economic cycle seems finally to be turning down; or if not, that the Fed has every intention of pushing up rates until it does turn down. The third quarter results season just ended brought a string of record earnings from a wide range of companies, not merely the traditional cyclical sectors, and that may continue for another quarter or so. Nevertheless, the market senses that the earnings recovery is faltering. An ohlique but powerful

piece of supporting evidence comes from companies themselves. This week, Walt Disney capped a record year of earnings hy saying it had spent \$920m since May buying back its shares, and that it planned to spend up to \$4.5bn doing the same in future. On the same day Merck said it was going to spend \$2bn on its shares, a sharp increase on its previous huyback programme. The day after, the electronics giant AMP (market value \$7.3bn) said it too would start buybacks, under a programme already in place but not yet

Now, there are two ways of



raising earnings per share: increase the earnings for a given number of shares, or reduce the shares for a given amount of earnings. Not all these companies believe their earnings growth will falter: indeed, AMP specifically said it expects record earnings for the next two quarters. But in general terms, when companies can find nothing better to do with their cash than retire their own equity, it is likely there are squalls ahead.

The Fed'e actions apart, the other factor weighing on the market's mind is political. It is clear by now that the crushing success of the Republicans in the mid-term elections could prove a mixed blessing. To be

sure, the Republicans can be expected to press for a lightening of regulatory and other burdens. But they also stand for low taxation. Cutting taxes is quicker and easier than cutting spending, particularly for a party which is committed to halting the cuts in the defence

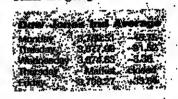
Other things being equal, in other words, the risk is that the budget deficit will worsen. This might seem a paradox for a party which contains such powerful figures as Senator Prill Gramm, who believes the constitution ehould he amended to prohibit the government from borrowing at all. But for the bond market, even

supply would tend to push yields up as well, and the last thing the equity market needs now is a weak bond market. As for the week ahead, the market's indecision was shown by yesterday's thinly-traded holiday rally. There are at east two reasons for thinking the nervousness may not be over. First, though the Dow has fallen further in the past week than the broader-based S&P 500, it has fallen by less since the start of the year. In other words, the big leading stocks may still be a touch

overvalued relative to the mar-

ket as a whole.

Second, watch that yield ratio. At around 2.7, it is still on the high side. It is always possible that the bond market will save the day by staging a rally. The toughness of the Fed'e recent actions reinforces its inflationary credentials; and if, as its critics charge, it risks slowing the real economy too sharply, there is nothing the bond market likes better than a good recession. Either way, the past week has ramme home one simple me you want to know where equities are headed these days, all you need do is work out where honds are going first.



Pharmaceuticals

Wheeler-dealers with bottomless wallets

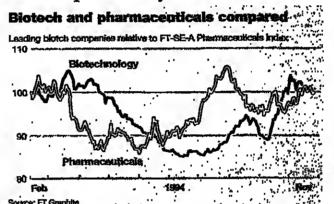
Nearly \$25bn has been spent this year within the industry – but why? asks Daniel Green

hat on earth are drugs companies doing? On Monday, Switzerland's Ciba raised its stake in Chiron, e US hiotechnology company, from 4 per cent to 49.9 per cent, valuing the 13-year old California business at £2.7bn. On Wednesday, the UK's Smith-Kline Beecham sold its animal bealth business for \$1.45bn to Pfizer, a US drugs giant.

These deals were just the latest in a series in which almost \$25bn has been spent in pharmaceuticals this year. But there appear to be few common threads other than the vast sums involved.

Take SmithKline Beecham. Like Ciba, it has small stakes in biotechnology companies. But, in May, it spent \$2.3bn buying a US drugs distributor and another \$2.9bn in July on a company specialising in overthe-counter branded medicines. The seller in the second deal was Eastman Kodak, which sold the rest of its drugs hustness ~ prescription products ~ to Elf Sanofi of France for \$1.7bn.

Meanwhile, Switzerland's Roche, which already has more than 60 per cent of one of the higgest hiotech companies,



Genentech, paid \$5.3bm for a conventional US drugs company, Syntex. Another drugs company, American Cyanamid, went to rival American Home Products for almost \$10bm, while US drugs-maker Eli Lilly picked on a distributor and paid \$4bm.

Such furlous deal-making is

exceptional in any industry but doubly so for pharmaceuticals: during the 1980s, there were a a mere handful of large mergers and virtually no acquisitions. In those days, though, drugs company executives were happy with their lot and confident of the future. In the US, especially, new products were launched at premium prices. Patients demanded the best, doctors prescribed the new products—and billed the insurance company. Not surprisingly, the profits of drugs companies increased every year.

No more. In the 1990s, those who pick up the hill are learning how to drive a bargain. Outside the US, this means government legislation to cut prices: earlier this year, Japan forced through a 6 per cent cut, while italy reduced the number of drugs available on its national health service.

mostly employers who offer health insurance to their staff. A decade ago, they began to use companies called health management organisations (HMOs) to buy medical services and drugs cost-effectively.

In the US, the payers are

Today, one-fifth of those holding health insurance policies in the US are in "managed care". Their doctors are under pressure to prescribe drugs from an approved list of products which the HMO has obtained at cut prices. The effect has been salutary.

"Drugs company chiefs recognise that profits are going to be harder to come by," says Jacqueline Cantle, pharmaceuticals analyst at stockbroker Smith New Court. "One solution is to get bigger — hence the deal-making."

Yet, as any corporate raider will tell you, finding good buys is difficuit. Each of the acquisitions this year appears to have flaws. The distributors are tiny businesses in highly competitive markets. Syntex and American Cyanamid are companies which have seen better days.

The biotechnology sector is having one of the worst years in its short history. The average price of the 250-odd quoted US biotechnology companies has fallen by almost 30 per cent. In the UK, three companies were among the worst performers of the 130-plus stock market flotations of the past year.

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Only SmithKline Beecham has so far put its deal-mania into a wider setting. It says it is now a human, health-care provider. It does not treat animals and is not confined solely to drugs. That means a halt to the deal-making, said Jan Leschly, its chief executive.

Leschly, its chief executive.
He added: "I can't rule out further acquisitions, but what's next is to make sure that we make the most of our investments through synergy and restructuring."

Still, while one company apparently bows ont of the deal-making arena, another eteps in. William Steere, Pfizer's chairman and chief executive, indicated that he had only just begun his series of acquisitions. And many other companies — notably Glaxo, Europe'e biggest drugs company — have yet to start.

The fountain of cash from

the drugs sector has not dried up.

One regular theme has been

the worrying imbalance between the yields on

fixed interest bonds and

bear market but stock

equities as bonds worldwide

markets have been reluctant

stood out as a gravity-defying

phenomenon: at the beginning

of this week, the Dow Jones

Industrial Average was still

showing a gain of 2 per cent

A second strand has been

short-term interest rates on

the dollar bond market which,

by the beginning of this year,

was inflated dangerously by

February, US Federal Reserve

said he would cease pumping

up the financial economy with

chairman Alan Greenspan

credit-financed speculation

and massive positions in

At the beginning of

on the year thus far.

the impact of rising US

to follow. Wall Street has

have plunged into a severe

Barry Riley

Why Wall Street lost its balance

Perhaps the only puzzle is that it did not happen sooner

ith one foot on firm economic ground and the other on a drifting bond market, Wall Street finally lost its balance and took a ducking this week.

The only puzzle, perhaps, is that it did not happen two or three months ago.

Regular readers will know that I have been pursuing two or three distinct but connected capital market themes for most of this year. Wall Street's correction takes the story into

Highlight	s of the	e week			
\$	Price y'day	Change on week		1994 Low	
FT-SE 100 Index	3033.5	-97.5	3520.3	2876.6	Wall Street shake-out
FT-SE Mid 250 Index	3480.3	-95.3	4152.8	3363.4	Interest rate concerns
Allied Domecq	553	-421/2	683	540	Brokers' downgradings
BTR	285	-20	401		Profit-taking
Billari (J)	114	-37	226	. 114 "	Loss warning
Eastern Group	7921/4	-131/2	866	566	Windfall tax fears
Harrisons & Crosfield	149	-13	220	146	Disposal losses
Lonrito	1531/2	-10	175%	1241/2	Lack of support
Smith & Nephew	15114	+314	159½	1361/2	Investment support
Smith (WH)	448	-21	549	427	Own broker downgrades
South Western Elec	749	-46	824	551	Windfall tax feers
Tate & Lyle	425	-19	4671/2	392	Badly handled selling
	353	+7	622	310	Hollinger buys shares
 Vodatone	1931/2	-14	221	1571⁄2	interims disappoint
alone a service of		40	744	F48	Parallia dell

would raise short-term interest rates progressively to a normal level. So far, ha has got to 5½ per cent and, with the US economy still booming, plainly he has not finished yet. Bonds have been weak all year as the leveraged positions have been unwound, and the recent drift up in the US Treasury 30-year bond yield from 8.0 to 8.2 per cent has finally cracked in the equity market.

Third, international flows of funds have been following a perverse pattern. Long-term investors around the world have been refusing to finance the extravagant habits of the Americans, reflected in a balance of payments deficit likely to be \$150bn for 1994. At the same time, Americans have been trying to diversify their pension and mutual fund portfolios by buying foreign equities, notably in the fashionable emerging markets of the Far East and Latin America. This has added greatly to the overall external capital needed to balance the

The Japanese – who, obligingly, financed the US deficits in the 1980s and lost a lot of money by doing so – have sat on their cash at home. So, the dollar financing gap has been plugged largely through intervention by Far Eastern central banks anxious that their currencies should not appreciate too fast: they

have been big buyers of US
Treasury bonds.

Even so, the apparent
one-way bet at the beginning
of the year – that the dollar
would climb along with
interest rates – has gone
seriously wrong. The further
the dollar has fallen, the
cleverer the Americans feel
they are to push money
overseas, and the more
reluctant are the Jananese to

throw good money after had

From a low point in the

The relationship between gilts and equities reached its breaking point this week

summer, however, some of the stock markets around the world have tried to rally. The emerging markets, for instance, completed their shake-out in June and, by September, the IFC index of 24 national markets was showing a recovery of 22 per cent. Even Wall Street got back to within about 1 per cent of its all-time high as recently as October 28. But this second minor bubble in equities has now blown up: Hong Kong lost 4.3 per cent on Wednesday alone and even Tokyo, normally resistant to international trends, dipped to

its lowest levels since January.

Markets are being teased by the surprising strength of the global economy which, led by the US and the Asian tigers, is heading towards growth of something like 4 per cent. The implications for profits and dividends are plainly good, but interest rates and inflation may go up. So, the relationship between gilts and equities has been stretched, and this week reached breaking point.

There is, however something very odd about this recovery: it is not being stimulated by bank lending. (In most countries, banks are struggling to find new business; in the UK, for instance, the housing market is remarkably sluggish as mortgage lending stagnates). Instead, the finance is flowing through the capital markets. This, especially in Europe, is leading to a lop-sided expansion, with companies full of cash but consumer

This absence of credit stimulation is a good reason for believing that inflation will stay low. But there is an accompanying worry that the recovery will be short-lived. Exports and capital investment cannot keep the economy booming healthily on their own without buoyancy

The immediate reason for the crack in US equities might

thus be that investors cannot any longer believe that profits' growth in the next few years will be high enough to justify the enormous income gap between shares (yielding under 8 per cent) and government bonds (around 8 per cent).

Looking a little further out.

moreover, a structural shortage of demand for US equities seems likely to develop. As interest rates rise, mutual-fund huyers will drift back to their normal safe haven of savings deposits (this has already happened with bond funds). The US bond markets will continue to absorb a disproportionate share of the available capital flows as the national taste for borrowing collides with a low savings rate.

Eventually, money for equities will appear from somewhere: foreign buyers will probably move back into Wall Street stocks, which they have shunned for several years because they have been too expensive. British pension funds, for instance, have only 4.8 per cent of their portfolios in US equities, compared with 9.7 per cent in the Far East and 8.1 per cent in continental Europe. But US equities will have become quite substantially cheaper before this shift will seem attractive

to foreigners.
Wall Street has taken a
plunge. Now we shall see if it
can swim.

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WORLD STOCK MARKETS

Dow stages recovery in low volume

Wall Street

US share prices reversed the declining course seen earlier in the week to close yesterday's half-day session solidly higher in axtremely light volume, writes Lisa Bransten in New

At the close, tha Dow Jones industrial Average was up 34.98 at 3,709.61. The more broadly based Standard & Poor's 500 rose 2.57 at 452.50. while the American Stock Exchange composite gained 2.25 at 434.65. The Nasdaq composite was up 5.82 at 742.52. Trading volume on the NYSE came to 109m shares.

Program trading early in the morning halped to push the market to a positive close for the first time since November 16. The market, which closed at 1 pm for the Thanksgiving

An upbeat return by Wall Street lifted bourses in the

afternoon, writes Our Markets

Staff. Mr François Langlade-

Demoyen at CS First Boston

thought that US weakness

could resume next week, and

that European equities offered

better potential returns than

FRANKFURT seemed short

of motivation on the session

tba Dax Index trading nar-

rowly between 2057.51 and

2051.12 before closing 4.35

lower at 2,051.62, 2.4 per cent

down on the week, in the after-

noon, the Ibis indicated Dax

Turnover fell from DM5.1bn

to DM4.5bn. There were some

biggish falls in blua chips:

Henkel, lacking the charms of

more cyclical chemical stocks.

shed another DM12.50 to

DM564.50; VW produced its

five-year review and dropped

DM9.50 to DM446.50 as analysts

said that brokers' forecasts for

1995 earnings had been consid-

erably higher than the

DM890m pre-tax expected hy

Retailers saw more weak-

ness, Karstadt losing DM12.50

at DM554.50 on its bearish 1994

outlook, and Kaufhof DM6.40

at DM451.60. However, there

their US counterparts.

recovered to 2,058.27.

holiday, also pushed back up through the 3,700-point floor that it had fallen through earlier in the week, for the first time since July. The market was closed on Thursday for Thanksgiving.

FT-SE Eurotrack 100 FT-SE Eurotrack 200

reversed their previous course, holding steady after a week of relatively steady gains. Twoyear notes were flat, while the benchmark 30-year Treasuries gained slightly.
Several cyclical stocks
rebounded from losses earlier

in the week. Aluminum Company of America rose \$2% at \$80%, Allied Signal gained \$1% at \$32%, Caterpillar was up \$% at \$53%. United Technologies climbed \$11/4 at \$5614 and International Paper increased \$1%

Both Bankers Trust and Gibson Greeting gained on news that the two had settled a lawsuit filed by Gibson over derivative losses. Bankers Trust rose \$% at \$57% and Gibson was up \$1% at \$13% after the companies announced an outof-court settlement that essentially released Gibson from

Bourses lifted by upbeat Wall Street return

10.30 11.00 12.00 13.00 14.00 15.00 Close

Nov 22

1331.03 1391.75

THE EUROPEAN SERIES

Nov 21 Nov 18

1351.17 1344.06 1411.82 1405.91

100 - 1325 13 700 - 1375 76 1 Partol

On the losing side, DMC fell

FFr13.10 to FFr305 after ana-

lysts cut their estimates for the

textiles company; and CCF by

FFr6.30 to FFr229.10, on disap-

nointment after the bank proj-

ected second-half profits simi-

lar to those of the first vix

MILAN remained vulnerable

to the fraught political situa-

tion and the Comit index fell

3.48 to 623.17, 3.2 per cent lower

Polltics also spilled directly

into husiness as concern grew

that the country's second cellu-

lar telephone licence, awarded

to an Olivetti-led consortium.

could be delayed by lingering

opposition inside the govern-

ing coalition. Olivetti gave up

L34 or 1.8 per cent to L1,868 while Cir, Mr Carlo de Benedet-

ti's industrial bolding com-

over the week.

per cent higher at FFr510.

FT-SE Actuaries Share indices

FT-SE Eurotrack 100 1327.72 1226.95 1326.44 1226.68 1327.00 1327.13 1326.19 1326.77 FT-SE Eurotrack 200 1377.18 1376.70 1376.30 1377.49 1376.32 1376.32 1376.52 1379.82 1380.81

1370.41

Mov 24 Nov 23

1329.95 1383.40

Base 1000 (20/10/90), Hankfey 100 - 1329.06, 200 - 1380 99 Law

was brighter news among sec-

ond liners, noted Mr Eckhard

Frahm at Merck Finck in Dûs-

seldorf: Krones put on DM40 to

DM900 after the engineer's UK

presentation this week; and

Kampa Haus, the prefabricated

bousing company which bad

suffered from a UK analyst's

downgrade, recovered DM66 to

view with the chairman put a

PARIS reversed early losses

after Wall Street's opening and

the CAC-40 indax aventually

closed 11.21 higher at 1,945.89

for a 1 per cent gain on the week in turnover of FFr2.8bn.

Alcatel Alsthom recovered

another FFr5.40 at FFr445.60,

professionals noting that it

was still more than 50 per cent

below its year's high; Générala

des Eaux staged a technical

rebound, FFr24, or nearly 5

DM395 after a television inter-

better view of prospects.

from two swap agreements. The settlement put an end to the smaller of two derivativesrelated suits filed agaiost

Americao Depository Recelpts of Sony, which are traded on the New York Stock Exchange, rose \$1% at \$51% after Mr Akio Morita, the chairman, announced his retirement. Sony was the first Japanese company to have a listing on the NYSE. News that Archer-Danicls - Midland planned o \$700m expansion of an Iowa plant did not help the agribusiness giaot. Its shares fell \$1/4 at \$281/4.

Bankers Trust

\$40 Paulo failed to extend Thursday's 4.1 per cent recovery, the Bovespa index losing 1,553, or 3.4 per cent, to 44,181

pany, lost 1.45 at 1.1.769.

Credito Italiano lost L51, or 3

per cent, to L1,638 after reports

that the bank appeared to be

winning over leading sbare-

bolders in Credito Romagnolo

to its L2,000bn takeover offer,

but that it might have to pay a

higher price and would take

more than the 48 per cent origi-

nally proposed. Romagnolo

gained £493, or 3.0 per ceot, to

L17,096 amid speculation that

ZURICH edged ahead in

another bank, or banks, might

quiet trading, supported by the better tone on Wall Street, and

the SMI index finished 3.9

higher at 2,5725, for a 1.3 per

UBS bearers reversed some

of the sharp losses seen after

Tuesday's extraordinary share-

holders meeting, picking up

SFr17 to SFr1.135 while the reg-

SFr252. SBC cootinued higher.

adding SFr2 to SFr364 and CS

Holding bearers were up SFr4

Swiss Re registered gained

SFr4 to SFr792 after the group

forecast markedly higher net

profits for 1994 before account-

ing for extraordinary gains for

AMSTERDAM was lower in

direct insurance sales

istered were SFr4 ahead at

cent decline over the week.

enter the fray.

at SFr550.

US Treasury prices also \$14m that it owed the bank at 1300 local time in turnover of R\$119.5m (\$138.8m).

Analysts said that anxiety over the future of small banks, combined with a lack of definition on how Mr Fernando Henrique Cardoso, president-elect, would form a cabinet, continued to tax sectiment.

Venezuela

Caracas plunged across the board to a four-month low, led by panic selling of the benchmark stock, Electricidad de Caracas. The Merinvest com-posite index closed 2.85, or 2.4 per cent lower at 117.24, down nearly 20 per cent this month. Electricidad de Caracas tum-

bled 12.00 bolivars to 199.00 bolivars, down 40 per cent since October 28, as investors offloaded existing shares to participate in a one-for-six rights issue.

index giving up 0.36 to 406.45

for a 0.8 per cent fall on the

after Thursday's better-than-

expected nine-month results

prompted a number of analysts

to upgrade earnings estimates,

FI 65.80 with Thursday's nine-

mooth figures falling short of

some expectations.

SOUTH AFRICA

CSM dropped Fl 1.60 to

KPN put on 50 cents to

F154.20, with investors still

said to be encouraged by the company's cost-cutting plans.

Written and edited by William Cochrane and Michael Morgan

Johannesburg was easter with

investors reluctant to enter

the market in the absence of

an overnight Wall Street lead.

were 21.3 lower at 2,045.7.

that its control of the diamon

were R3 weaker at R231.

The overall index lost 34.9 to

ing rose 80 cents to F180.30

March's record 4.609. lacklustre trade, the ARX

"When things are acting contrary to good and valued assumptions, it's hard to find concrete reasons," says Mr David Mather, senior vice-president at Elliott and Page, a portfolio-management bouse. The fundamentals for Canadian equities, especially the resource-based stocks, are as good as they've been in a long

ber to just over C\$17. Similarly, shares of most Canadian gold producers are lower than they were when gold bullion was last trading around US\$385 an ounce.

5,831.4, for a 93-point decline on the week, industrials were 20.7 down at 6,929.2 and golds De Beers ended R1.75 down at R94, continuing its recent poor showing amid concern market was slipping. Anglos at present over 9 per cent, com-

Toronto frustrated by worldwide shudders

But fundamentals are strong, writes Bernard Simon

in both the US and Canada

reverse the boom in metals

markets and choke corporate

earnings. Canadian economists

have lowered their growth

forecasts. Most expect that real

growth will slow to about 3.5

per cent in 1995 from 4 per cent

In addition, with Canada's

this year.

Toronto SE 300

4,500 4,400

4,300

4,100

4.000

4.200 ----

3,900

Source: FT Graphite

higgest companies listed in

both Toronto and New York,

the turmoil on Wall Street has

sideswiped the TSE. For

instance, Northern Telecom

has lost 8 per cent of its valua

so far this month, closing last

Most analysts remain confi-

dent that the recent slida in

sbare prices is a relatively

brief correction. Nesbitt Burns,

a Toronto-hased securities

dealer, forecasts that the TSE-

300 will bounce to a new record

of 4,700 within the next 12

months. "As bond yields tread

water and earnings jump, confidence should rise in both the

length of the profit expansion and the beight of the cyclical

peak," says Mr Ben Joyce, Nes-

A downward push of interest

rates to keep the recovery on

ish case. Mr Frank Hracs, chief

bitt's portfolio strategist.

Thursday at C\$44.88.

4,600 ...

he Toronto stock pared with 5.25 per cent on exchange should be booming. The mainstays of the Canadian economy metals, forest products and the automotive industry - are storming ahead.

Corporate profits are climbing steeply, with many com-panies also boosting dividends. nflation is non-existent. The US Federal Reserve's latest interest-rate hike caused only a modest hiccup in credit mar kets north of the border. Tha brunt of the adjustment has fallen on the Canadian dollar, giving exporters another rea-

son to cheer. However, the TSE has not been able to escape the shudders which have jolted equities markets around the world. The TSE-300 index lost 66 points in the first three days of this week. Although Thursday saw a 37-point raily, the index. which closed at 4,085, remained 11.4 per cent below last

Professionals are puzzled.

The anomalies are glaring. Abitibi-Price earlier this month announced its fourth newsprint price rise of the year, and the company should also benefit from the recent slide in the Canadian dollar. But its share price has slithered from a 1994 peak of C\$20.62 in late Septem-

Canadian honds are an unusually attractive investment now. Although domestic interest rates have not risen much in recent weeks, yields in real terms are among the highest anywhere. The yield on 30-year government of Canada

economist at RBC Dominion comparable US Treasuries. Securities, told an investment Money managers pinpoint the US bond market as the conference this week that "with the onset of the Naw Year, we will not be surprised main culprit for Toronto's equity woes. Many are nervous that the 75-basis point rise in to see an aggressive investor response to interest rates that the Fed funds rate on Nove have oot made fundamental bar 15 will not be the last. sense for some time now". Mr Mather favours metal and Climbing interest rates already threaten to brake the recovery

gold producers, and forest products companies, especially those geared to pulp and news print. On the other hand, he has shied away from sectors sensitive to volatile interest rates, such as utilities. Lévesque Beaublan Gaof-frion, a Montreal-based firm,

says in its latest market commentary that the outlook is brightest for the oil and gas sector. "We believe that the market bas not fully discounted a return of oil prices above US\$20 a barrel in 1995 as a result of new secular demand from the emerging countries of southern Asia and Latin America," the firm says.

But while some analysts may see the correction as a buying opportunity, a note of caution comes from Mr Murray Taylor, vice-president for marketing at Great-West Life, one of Canada's biggest insurance companies which also manages 13 investment funds.

Mr Taylor, an actuary, warns tbat investors - especially those without instant access to breaking news - take a big risk by attempting to time buyand-sell decisions according to up-and-down bumps in the markat. Average inveators have only a one-in-four chance of getting their timing right on a simultaneous sale and purchase. The odds on being successful twice in a row drop to about 6 per cent, according to Mr Taylor.

On the other hand, he calculates that anyone who has bought shares on the Toronto stock exchange at any time since 1924 and has hung on to them for 30 years, would have done substantially better than investing in fixed-income securities.

On that basis, plunging into the market now should offer far better rewards than buying just before the big crashes of 1929 and 1987.

ASIA PACIFIC

the carmaker.

Nikkei declines for the fifth day

Tokyo

Share prices fell for the fifth consecutive day, with early gains wiped out by position covering by dealers and profittaking, writes Emiko Terazono

in Tokyo. The Nikkei 225 index lost 34.41 to 18,666.93, down 3.3 per cent on the week. The index moved between 18,847.07 and 18,666.13. Share prices were higher in the morning on buying by public funds and investment trusts. However, a fall in the futures market prompted selling in the afternoon by brokers closing their books on the last day of November delivery.

Volume totalled 270m shares against 308m. The Topix index of all first-section stocks edged down 0.14 to 1,484.02 while the Nikkel 300 inched up 0.06 to 272.73. Losers led gainers by 539 to 399 with 236 unchanged and, in London, the ISE/Nikkei 50 index rose 2.09 to 1220.59. Traders said that public

funds were the only buyers of the day. "Share prices fell once they

NATIONAL AND REGIONAL MARKETS Floures in parentheses show number of lines of stock

Australia (88)

Austria (16)

Balgium (35)

Brezzi (26)

Canada (103)

Denmark (33)

Finland (24)..... France (102)..... Germany (58).... Hong Kong (56)... Ireland (14).....

South Airids (29)
Spain (38)
Sweden (38)
Switzerland (47)
Thelland (48)
United Kingdom (204)
USA (513)

Y10 to Y1,500 but heavy electricals lost ground, including Fujitsu wblcb fell Y10 to Y1,000. Brokers rebounded with

Nomura Securities up Y10 to Y1.900 and Yamaichi Securities up Y10 to Y695. Banks, which reported weak interim earnings on Thursday, were mixed. Dai-lchi Kangyo Bank fell Y10 to Y1,640 and Mitsubishi Bank rose Y20 to Y2,190.

Steels were hit by profit tak-ing. Nippon Steel, the most active issue of the day, fell Y2 to Y373 and NKK declined Y4 to Y267. Kawasaki Steel, however, rose Y6 to Y416. In Osaka the OSE average fell 43.48 to 20,746.33 in volume

of 30.7m shares. Nintendo, the video game maker, fell Y130 to

156.82 102.81 133.85 144.65 168.21 110.27 143.57 143.54 158.31 103.78 138.11 131.90 161.83 108.18 138.21 268.19 120.92 78.27 103.20 126.82

1.8 156.82 102.61 133.86 144.65
-0.1 168.21 102.7 143.57 143.54
0.3 158.31 103.78 138.11 131.90
2.2 161.93 108.18 138.21 268.19
0.7 120.92 79.27 103.20 126.82
0.7 234.17 153.51 198.96 204.73
0.4 173.78 113.82 148.32 183.71
1.7 158.94 104.00 135.40 140.33
0.7 132.31 65.73 112.92 183.74
0.8 327.84 214.92 279.81 342.65
0.8 189.60 124.29 181.82 182.18
0.0 70.83 48.30 60.29 89.52
0.4 472.13 309.51 402.96 490.02
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0.9 1888.33 1237.90 181.86 490.02
0.9 1888.33 1237.90 181.86 490.02
0.9 1888.33 1237.90 181.86 7494.70
0.8 109.07 130.50 169.91 187.20
1.7 68.30 44.77 58.29 61.87
1.0 184.98 121.20 187.80 180.46
0.5 351.55 230.46 300.05 250.26
1.1 314.72 206.32 288.81 301.68
0.4 133.55 97.61 114.97 138.87
0.8 151.98 99.83 129.71 131.11
149.11 97.75 127.27 152.58
0.8 151.98 99.83 129.71 131.11
149.11 97.75 127.27 152.58
0.0 147.77 114.57 149.18 184.13
0.1 183.35 107.09 139.42 143.13

0.0 174.77 114.57 199.18 194.13 0.1 183.35 107.09 139.42 143.13 0.4 159.02 104.25 135.72 149.74 0.7 213.00 139.84 181.80 211.10 0.8 181.71 99.45 126.48 103.94 0.0 171.43 112.38 148.31 180.13 0.8 142.55 93.45 121.57 129.83 0.9 229.71 150.59 196.05 213.40 0.2 156.45 102.56 133.53 125.62 0.1 159.49 104.55 136.12 139.70 0.3 172.78 113.27 147.47 172.65

stopped buying in the aftar-

FT-ACTUARIES WORLD INDICES

absence of Wall Street, closed noon," said a Japanese broker. Sony rehounded Y130 to for the Thanksgiving Day holi-Y5,160, gaining for the first

TAIPEI, however, picked up time in five trading days as overseas selling eased. Matsu-shita Electronic Industrial rose 1.3 per cent as textile and steel stocks found renewed demand. The index rose 81.80 to 6,421.82 in turnover of T\$41.96bn, for a 1.1 per cent rise on the

Local Gross y % chg Div. on day Yield

1.8 3.94
0.2 1.13
0.8 4.19
3.2 0.77
0.8 2.69
0.9 1.45
1.2 0.76
2.0 3.05
1.0 1.84
0.8 3.49
1.1 3.51
0.2 1.76
-1.2 0.82
0.5 1.71
1.0 1.36
1.1 3.48
1.9 4.74
1.3 1.83
0.6 1.71
1.2 2.13
0.7 4.22
1.5 1.54
1.1 1.88
1.2 2.37
0.3 4.20
0.0 2.66

0.1 2.90 0.8 3.13 1.3 1.40 -0.8 1.18 -0.1 2.03 0.0 2.97 1.2 2.50 0.9 3.06 0.0 2.03 0.0 2.03 0.0 2.03

The market's mood had improved after the authorities had agreed on Thursday to lift the ceiling for combined foreign holdings in listed Taiwanese companies to 25 per cent

from 10 per cent. Among textiles issues, Hua-lon rose 30 cents to T\$23.60, and Shinkong Synthetic Fibres 50 cents at T\$32.30. Chung Shing Textile hit its daily 7 per cent limit at T\$15.60.

SYDNEY capped a week of volatile price swings with a second day of gains as the mar-ket nearly recouped all of this week's early losses.

The All Ordinaries index cent on the week. rose 24.3 to 1,910.0, sharply higher than Wedoesday's 16month low of 1,857, but 0.6 per cent lower on the week.

Activity was restricted Traders, however, noted that account. The BSE 30 sha throughout the region by the most gains were driven by Index rose 56.89 to 4,132.28.

US Pound Dollar Sterling Index Index

local retail investors in the absence of the large US institu tional investors who had driven the market lower earlier In the week.

SEOUL continued lower for a seventh straight day as investors remained cautious, worried that the central bank was about to tighten money supply. The composite index ended 5.82 down at 1,085.16, for a decline

of 3 per cent on the week. HONG KONG was unable to make much beadway, finishing only slightly higher after fluctuating for most of the day around Thursday's closing ievel. The Hang Seog index closed up 10.97 at 8,658.83, for an 8.2 per cent drop on the week. Provisional turnover

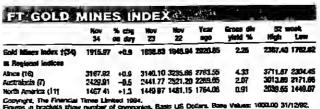
was a thin HK\$2.51bn. BANGKOK saw selling accelerate during the afternoon and the SET index finished 7.90 lower at 1.349.39 after a volatile day. The market fell 7.4 per

Turnover was thin at Bt4.6hn.

BOMBAY put on 1.4 per cent on the first day of the new Traders, however, noted that account. The BSE 30 shares

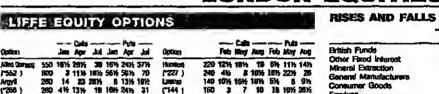
LONDON EQUITIES

4123	E EQUITY OPTIO	NS	On Friday On the week
	Calis Puts	Call Pub	Risea Felis Serre Rises Falls Same
	Jan Ager Jul Juny Ager Jol	Option Feb May Aug Feb May Aug	British Funds 12 48 9 170 74 106 Other Riccol Internet 0 0 14 20 0 50
4 Jones		Harmon 220 1214 1814 19 614 1114 1415	Mineral Extraction 34 89 83 208 374 400
52)	800 3 11% 16% 56% 56% 70 250 14 23 28% 8 13% 10%	(*227) 240 416 8 1016 1815 2216 28 Lauren 140 1016 1516 1816 516 8 915	General Manufacturers 81 129 409 418 930 1,797
y4 58)	280 4% 13% 18 18% 24% 31	C144 1 160 3 7 10 18 19½ 26½	Consumer Goods 30 44 113 129 308 496
M '	60 7 9 19 1% 3 4	Lucas inte 200 12% 17 22 9% 14 16%	Services 65 85 342 320 631 1,506
51	70 2 21/2 5% 6% 8% 9	(200) 220 6 9 131/ 22 25 281/	Utilities 18 13 12 41 126 48 Financials 54 105 206 289 629 902
. Abres	360 22% 34% 41% 8% 18 24	P & 0 600 34% 48 57 185 35% 42	Investment Trusta 72 44 349 299 761 1,265
74]	390 814 2014 274 25 32 40	(7809) 650 13 Z3% 35% 47% 64% 71	Others 27 22 66 140 264 179
Street A		Paidington 160 21 25 27% 1% 3 5 (*179) 180 8 12% 10 22% 32 34	Totals 403 560 1,612 2,032 4,097 6,766
23)	460 41 131 201 411 48 525	(*179.) 180 8 121/2 10 221/2 32 34 Prudential 300 221/2 27 201/2 7 15 17	Data based on those companies listed on the Landon Share Service.
ts .	480 43% 55 81% 3% 7 13 500 17 29% 37% 18% 72 29%	(312) 330 8 12 184 224 32 34	Day present out sector con-brane states of the present out of the pres
96 1	500 17 29% 37% 18% 22 29%	RTZ 800 56% 68 81 14 29% 36%	TRADITIONAL OPTIONS
	300 33% 41 48 3% 10 14%	(°831) 850 28 41 % 66% 35% 55 81	Past Dealings November 21 Explry February 23
16 1	420 14 23% 31 14 22% 27	Rechard 460 20 35 42% 14% 30 34%	Last Dealings December 2 Settlement March 8
ish Sized 52 }	140 15 10% Z3 2 4% 7	(*458.) 500 12½ 20 25 37½ 65½ 59 Royal Insce 260 21 27 32 12 18½ 21	
32 /	500 30 27% 46 12% 18% 25%	(*285) 300 12 18% 23 23 30 32%	Calls: Bule Res., Celsie, Copyright, Klagstreet, Minmet, Ovoca Res., Storm Grp.,
38)	550 8 15H 23H 43h 474 53	78500 240 14 18% 21% 8 14% 17%	Tulow Oil, Puts & Calls: Aminex, Ovoca Res., Tratalgar Hee., Tullow Oil
		("242) 260 516 10 1216 20 26 20	
e i lite	360 28% 28 47% 8% 18 23 390 11% 23 33 23% 31 38%	Vodatone 183 161/2 51/2	
78) STALIGS	420 21 1/2 34 1/4 12 18 274	(193) 300 8 13 17 14 17 20	LONDON RECENT ISSUES: EQUITIES
31 }	460 8 17 2319 37 40 50	Williams 330 27 34% 38 5 13 14 1'347 1 350 10 18% 22% 18 28 29	leaue Amt Mict. Close
תמורו) חוח			price paid cup 1994 price Net Div. Grs P/E
10	543 16h 24 - 24 41h -	Option Jea Apr Jul Jan Apr Jul	p up (Em.) High Low Stock p +/- div. cov. yld net
	700 59 98% 78% 5 28% 27	BAA 475 32 44 - 41 9 - (499) 500 18 28% 35% 13 18% 24%	- F.P. 16.5 68 70 Abbust Latin Am 64
67 1	750 26 3614 5014 2114 4314 50	(*499) 500 18 251/2 351/2 13 181/2 241/2 Thanses Wit 460 303/2 46 541/2 6 12 211/2	- F.P. 1.92 63 48 Do Warrants 48
alaja.	450 23 36 42 13% 22 32	(484) 500 11% 23% 33% Z3% 30% 42	150 F.P. 78.9 149 145 Ashboume 147 +112 WN3.0 3.1 2.6 13.5
54)	500 7W 19 2KW 28 44% 55%	Option Dec Mar Jun Dec Mar Jun	100 F.P. 68.8 93 85 BZW Commodities 8512
d Secur	550 48 57W 84% 2W 7 14%		- F.P. 5.78 47 37 Do. Wrts 37
100	600 13 2614 2314 19 244 371:	Abbey Not 390 21% 32% 37% 3% 14% 21% (406) 420 5% 18% 22% 17% 31 38	- F.P. 45.8 104 65 & Celluma 85 -1 280 F.P. 30.8 287 280 Churchill China 285 RN9.66 2.2 4.3 13.0
AS & S		Arrayrad 30 2 31/2 41/2 1/2 3 4	100 F.P. 20.4 130 101 Euclidan 102
9 6 1	420 54 18 21 744 274 35	(30) 35 W 1% 2% 5 8% 7	141 F.P. 23.5 143 143 Eurovein 143 WN6.2 1.8 5.4 11.4
iffest	450 47 55% 63 4 18 21 500 19% 31 41 17 34 40	Bardays 550 41% 57 83% 3 15% 21%	- F.P. 487.0 495 485 Fidelity Spec Unts 487
38	300 1977 31 41 17 34 40	(7586 f 600 10% 27% 37% 21% 39% 46%	- F.P. 66.3 178 108 Fittronic Citek 158 -5 RN0.75 2.6 0.6 53.2 100 F.P. 11.0 101 100 Firsbury Smir C 100
rsbury	390 25 38 45% 7 13% 20%	Blue Circle 280 16 27% 32% 4½ 8% 18%	100 F.P. 11.0 101 100 Firsbury Smir C 100
37 1	420 10 22% 28% 20% 28 35%	(*253) 300 69: 17 22 12 184 269: British Gas 280 17% 26 32 19; 6 13%	100 F.P. 30.3 102 95 House Govett 1000 101
d fres. 94)		Entish Gas 280 17% 26 32 1% 6 13% (295) 300 5 14% 21 6 14 23%	- F.P. 29.1 100 90 INVESCO Korea C 87
rehouse	700 17% 27% 37 19 34% 36% 200 16% 21% 25% 3 8 8%	Dhone 180 10 15 22 474 915 1416	100 F.P. 188.3 223 205 Irien Permanent 221 uNS.0 2.9 5.4 7.7 215 F.P. 68.3 232 229 J.HS Sports 231 FINS.0 2.4 3.2 14.1
14)	220 5 10% 15 12% 15% 16%	(185) 200 24 74 13 164 21 26	21S F.P. 69.3 232 229 JJB Sports 231 RNS.0 2.4 3.2 14.1 120 F.P. 67.4 138 120 SeePerfect 137 48
		Hillsdown 160 9% 14 17% 2 5% 10	115 F.P. 222.6 126 117 TLG 125 WN3.5 2.0 3.5 17,9
raigar	90 1% 3h 8 11 12% 13%	(*167) 180 1 5 81/2 131/2 18 22	170 F.P. 19.4 173 165 Tele-Cine Cell 165 RN5.44 2.2 4.1 11.4
lever	1100 36H 55 98 21h 42h 54	Lummo 140 15 19 23 1 5 7	100 F.P. 17.8 102 102 Wellington Un. 102
102)	1150 14% 31% 40 32% 72% 83	(*153) 160 3½ 8½ 12½ 9½ 14 17	
eco	800 81 74% 84 7 23% 30	Hatt Power 460 36% 45% 60% 3% 13 16	DIALITO AFTERS
17)	850 284 441 50 24% 46 53	["496 1 500 8 20 37 14½ 29½ 37	RIGHTS OFFERS
ton	Feb May Aug Feb May Aug	Scot Power 330 21% 29% 38% 4% 14 20	Issue Amount Latest Closing +or- price paid Renun. 1994 price
ng Met	360 34h 394 45 5 12h 17 380 15% 23 28% 22 25% 31h	(245) 350 5 15 259 19 30 35 Seas 100 79 109 12 1 36 59	price pald Renun. 1994 price p up date High Low Stock p
66) Droke	140 21 h 24h 27 2 6 7	(705) 110 2 5% 7 5% 8 11	77 Nil 30/12 3pm 2pm Apollo Metals 2pm
7)	760 8H 13 18H 9H 15 16	Fone 220 10 18 2214 4 8 14	295 NB 5/1 80pm 34pm L2rd 34pm -1
Bearing	300 23 30 34 6 15 18	(7226) 240 1% 8% 13 15% 19 25	27 Nii 28/11 31 ₂ pm 21 ₂ pm Martin Inti 21 ₂ pm
14 1	330 8% 15% 20% 21 32 35	13mac 170 8 14 17 3 6½ 10	37 Mi 3/1 5pm 3pm OMI 3pm
<u> </u>	Dec Mar Jus Dec Mar Jun	(*125) 130 3 8 12 8 11% 15 Thom End 650 34% 52% 76% 11 23 34%	65 Nii 23/12 15pm 6pm Prestac 6pm 285 Mii 6/1 6712pm 40pm Seton Health. 40pm
	110 11% 17 18% 2% 5% 8	1974 1000 9 20% 49% 46% 50 59%	- w. s. Sun and Continuent Adult
9 1	120 5% 12 15 6% 10 13	TSB 200 20 24 27% % 5% 8%	
ion	Feb May Aug Feb May Aug	[7218] 220 8 12 18 61/2 141/4 18	FINANCIAL TIMES EQUITY INDICES
ACTO	448 31 44 - 22% 34 -	Tombins 220 7% 14% 21 5 11 14%	Nov 25 Nov 24 Nov 23 Nov 22 Nov 21 Yr ago "High "Low
10 1	487 15 20 - 46 57 -	(*222 1 240 1 69 129 18 23 26	Ordinary Share 2323.3 2326.9 2323.8 2369.1 2399.8 2369.3 2713.6 2240.6
Indo	420 35% 43 45 9% 21 27	Webcome 650 32 55 701/2 13 291/2 44/2 1"656 1 700 8 31 1/2 47 41 56 71	Ord. dw. yield 4.48 4.48 4.49 4.39 4.33 3.83 4.51 3.43
L1)	460 16 22 27% 26% 42% 48%	Dotton dam Apr Jul Jan Apr Jul	Earn. yld. % full 6.61 6.60 6.61 6.44 6.35 4.52 6.61 3.82
	280 17% 22% 27% 8 15% 18%		P/E ratio net 17.44 17.47 17.45 17.93 18.18 27.75 33.43 16.94
5)	300 9 13% 16% 20 27% 29%	Gizon 600 39 5314 67 1414 3014 38 (*620) 650 1414 36 4314 4014 5714 65	P/E ratio nii 17.02 17.08 17.03 17.55 17.80 25.79 30.80 17.02
Telecon	360 21 h 29% 34% 6 13% 19h	HESC 750 sts 700 39% 56% 68% 20% 43 52	"For 1984, Ordinary Share index since compilation: high 2713.6 2/00/94; low 49.4 26/6/40 FT Ordinary Share Index base date 1/7/35.
4 1	190 7h 18 2014 27 30 36	(715) 750 17% 33% 46% 47 72% 81	
BUTY SCO	420 25 31 h 38 h 9 h 18 h 23 h 450 8 14 21 33 44 46 h	Reuters 460 25 36 46 11 22th 27th	Ordinary Share hourly changes
~ 1	U 17 21 30 44 40/2	(*489) 500 8 1814 28 3414 4414 4814 Option Fab May Aug Feb May Aug	Open 9.00 10.00 11.00 12.00 13.00 14.00 10.00 16.00 High Low
tem Dec			2323.8 2315.2 2313.8 2312.0 2313.6 2315.4 2315.8 2321.7 2322.6 2324.1 2310.4
15 T 1500ss	800 32 49 84 45% 56 77 420 44 51% 55 2% 10 13	Rolls-Rayce 160 23 26 29 214 8 8 (178) 160 1815 14 18 93 1415 17	
6)	480 17% 26 31% 14 25% 30	· Underlying security price. Premiums shown are	
:	260 19 25% 30 5% 8 12%	based on settlement prices.	SEAO borgains 20,492 22,386 27,343 24,284 24,305 34,313 Equity comover (Cmt) - 1306,5 1499,6 1331,3 1446,5 1526,1
31	280 814 15 1814 15 1714 2214	November 25, Total contracts: 21,033 Cale:	
		11,377 Puts: 9,659	Equity bargains† - 27,247 29,950 25,980 27,507 39,518 Shares traded (mil)† - 539.5 861.9 849.8 668.4 651.2
Ind.	ALCOHOLD THE SECOND	NAME OF TAXABLE PARTY.	*Excluding infra-merial business and overself turnover.



171.97 182.38 108.89 133.91 142.99 - 198.15 198.15 198.15 198.28 108.89 133.91 142.99 - 198.15 197.52 109.69 134.74 148.51 178.58 155.26 155.26 222.81 2103.69 134.74 148.51 178.58 155.26 155.26 181.31 182.32 100.27 130.30 104.80 176.86 134.79 146.32 163.52 154.40 101.84 132.08 122.08 176.14 143.88 149.91 180.56 170.49 112.23 145.86 160.13 192.73 175.67 184.71 148.94 140.64 82.58 120.91 128.34 158.12 136.19 136.19 129.38 128.51 149.91 180.77 211.39 296.21 232.99 236.04 155.23 156.02 102.71 133.47 125.04 176.25 145.58 151.37 186.28 158.90 104.60 135.93 139.75 176.59 155.96 150.50 181.51 171.39 112.82 148.81 172.17 195.20 176.34 177.88 m Regional Indices Alinca (16) Australicia (7) North America (11) Copyright, The Financial Times Limited 1994.
Figures in brackets show number of companies. Basic US Dodars. Basic Values: 1898.00 31/12/92.
Prediscussor Gold Mitnes Index: Nov 25: 258.8; day's change: 40.1 points; Year ago: 235.0 † Partiel.
Limot prices were unavoidable for this edition. USA market closed 24/11/94.

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CONTRACT PARTY	550	16%	28%	38	16%	2475	37Yr	HER PRINCIPAL PR	Z20	121	18%	10	674	117	14%	
7552)	600		11%	16%	56%	50%	70	(T227)	240	416		10%	2015	221	26	
Ver4	250	14	23	28%	. 8	13%	10%	1,29000	140	10%	15%	18%	514		91	
7268)	260	4%	13%	18	18%	24%	31	(*144 1	160	•	7	10	15	19%	26%	
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66 1							9	(200)	220		,	1315	22	25	28%	
ark Airways	*	2234	3414	MK	946		24	P & 0							42	
374]			2014					(*803)				3514				
or 60 Series A							29	Paldrigton				27 Yz				
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(23)								Productial	300	ZZY	27	307%	7	15	17	
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at l'ite	200	2014	28	-	-	40	27	[242]				12%			20	
378)							38%	Yodatone				-			-	
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INDICES

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عيد فاريا

CURRENCIES AND MONEY WORLD INTEREST RATES Dollar French Franc MONEY RATES Lira weakens FFr per DM The lira yesterday fell to a record low on the the foreign exchanges amld continuing probe, but currency markets proved less sentimental. While there were no fresh uncertainty about the survival of the prime minister. Mr Silvio Berlusconi, and his government, writes Philip Gawith. The lira finished in London 1.53 lower, sentiment clearly remains nervous. Investors appear to be troubled not so much by the prospect of at L1,038 against the D-Mark. another Italian government from L1,634. Analysts are now predicting that the lira could fall to L1,050, or even L1,100. falling, as by what this would mean for managing the budget Market activity was quiet, as the Thanksgiving holiday in the US on Thursday spilled Although some analysts E S LIBOR FT LO ers already had long D-Mark positions against the lira. The scope for further selling was believe the lira could fall as year. The franc weakened to BFr20.6 against the D-Mark, ground after the release of the CBl monthly trends survey gian and Luxembourg finance week ago US Dollar CDs ministers, as well as the Luxover into a long weekend. The dollar traded in a very narrow range to close at DM1.5589, from DM1.5582, and from BFr20.58, before recoverembourg treasury director. showed the proportion of maning to close at BFr20.57. SBC distanced itself from the Mr MacKinnon at Citibank said talk of the franc devaluing ufacturers planning to raise prices rose again this month. thus fairly limited. 1.5700 1.5699 1.5695 7.5696 the gloom, but it is very diffi-cult to see the lira making sigwas "haloney. The Belgian cen-tral bank will go through hell and high water to maintain the article, describing it as a "hypothetical interpretation of scenarios". The house view is o This prompted speculation that interest rates may rise Y98.765 from Y98.435. Sterling had a stable day nificant beadway, eveo in again after the next monthly despite lingering political uncertainty. It finished at DM2.4339, from DM2.4366, and low as L1,100 against the D-Mark, others believe the downside is more limited. Mr favourable political circum-stances," said Mr MacKinnon. monetary meeting on December 7. The March 1995 contract settled at 92.99, from 93.07, and largely uochanged exchange that the currency markets were also fairly immune to rate over the next year for the franc against the D-Mark. at \$1.5631 from \$1.5621. EURO CURRENCY INTEREST RATES three month LIBOR rose to 6% Neil Mackinnon, chief econo-A suggestion in the article capital flows, with market mist at Citibank in Londoo, said be was "disinclined to per cent from 6 per cent. In its daily operations, the uncertainty more likely to slightly after a newspaper that the Belgian and Luxem-A magazine opinion poll showed 53 per cent of Italians hourg francs - currently at parity under a monetary agreeshow up in bond prices, rather than the currency. article, attributed to Swiss Bank Corporation, predicted a 512 - 5 64 - 6 53 - 57 54 - 57 104 - 8 72 - 7 61 - 6 54 - 5 54 - 5 54 - 5 Bank of England cleared a felt Mr Berlusconi should not He said the bank's volume 10 per cent depreciation of the ment - would decouple on Jananalysis suggested its custom-■ Short sterling futures lost uary 1, was denied by the Bel-Belgian franc over the next POUND SPOT FORWARD AGAINST THE POUND +0.0188 455 - \$88 +0.0211 721 - 507 +0.0126 400 - 461 +0.0473 071 - 240 +0.0107 688 - 743 +0.0027 358 - 373 +0.592 557 - 755 +0.0032 136 - 149 +12.32 705 - 542 +0.001 286 - 303 +0.0203 786 - 852 +0.263 673 - 877 +0.38 367 - 510 +0.0599 644 - 838 +0.0012 634 - 651 +0.005 710 - 760 -0.007 400 - 800 -0.007 400 - 800 -0.001 044 - 604 +0.0022 006 - 129 +0.001 556 - 591 +0.225 310 - 360 -0.0029 401 - 419 +6.85 700 - 800 -0.0004 460 - 465 +0.006 330 - 456 +0.006 330 - 350 +0.06 120 - 200 +0.16 130 - 180 +0.006 330 - 736 -0.0007 203 - 210 +0.001 638 - 633 -0.0009 208 - 214 17.1476 - 53820833638933898 32.04 6.1047 4.8055 5.355 1.5581 9.5193 7.4520 6.3488 2.4298 1.5596 1.5540 240 350 228.250 1.5487 1.5291 1816.05 1808.45 22.0850 31.5950 1.7475 1.7416 8.8480 6.8056 159.270 158.780 130.180 129.730 7.4870 7.4184 1.3230 1.3167 1.5654 1.5610 1.2246 1.2205 2.4382 2.4298 2.4355 375.930 572.694 1.0157 1.0099 1.0141 2229.50 2512.04 25.34.84 50.1880 50.0310 50.084 2.7314 2.7236 2.7283 10.7068 10.8410 10.8816 248.976 248.155 250.505 203.515 202.832 203.809 11.7044 11.6024 11.6028 2.0659 2.0657 2.061 Est. vol Open Int. 6,170 36,699 12,336 50,554 3,716 33,778 2,925 21,829 -0.01 -0.03 -0.02 -0.02 2,7245 159,735 130,38 7.48 1,3185 2.0659 2.0557 2.061 Open int. -0.01 -0.01 2627 1454 389 +0.0015 630 - 636 +0.0087 409 - 444 +0.0035 503 - 517 +0.0051 838 - 903 +0.001 628 - 633 1.5633 1.3427 1.5650 1.5610 1.3446 1.3315 2.1517 2.1454 5.3910 5.3760 +0.0003 001 - 002 +2.005 580 - 600 +0.0014 759 - 764 +0.001 450 - 480 1.0002 SKONTH EUROMARIK FUTURES (LIFTE)" DM1m points of 100% +0,0008 660 - 581 +0,0077 823 - 877 +0,0077 823 - 877 +0,001 269 - 524 - 597 - 824 +0,001 953 - 981 +0,0029 188 - 215 +0,0238 256 - 192 +0,004 614 - 841 +0,002 261 - 302 +0,0307 200 - 534 +0,04 211 - 267 +0,0182 626 - 184 - 809 - 981 eeds in the Paund Spot 1 127336 153,331 3.4 152,341 3.7 147,221 161.1 184,310 153,660 4.0034 (LIFFE) L1000m points of 100% Open int. 24.0000 23.5000 3.7511 3.7506 1.4680 1.4645 3.5375 3.5360 4.1920 4.1600 795.000 794,800 -0.23 -0.23 -0.22 -0.18 (LIFTE) SFr1m points of 100% Open int. 17289 19413 6379 3075 96.02 95.73 96.45 95.12 CROSS RATES AND DERIVATIVES -0.03 -0.02 -0.01 94.09 93.82 93.34 92.85 EMS EUROPEAN CURRENCY UNIT RATES **EXCHANGE CROSS RATES** 21.31 11.19 12.76 4.384 10.53 4.293 2.254 2.570 0.883 2.121 5.446 2.880 3.280 1.120 2.691 2.554 1.341 1.529 0.526 4.881 2.563 2.910 496.3 260.6 297.1 102.1 405.9 213.1 243.0 83.50 23.29 12.23 13.94 4.731 4.116 2.163 2.466 0.647 1.996 1.045 1.195 0.411 3.119 1.638 1.867 0.842 307.9 151.7 184.3 63.34 214161 -0.00091 -2.50 -0.0044 -0.00056 +0.001415 0.422 3.914 10 4.294 5.251 9.152 6.174 10.69 4.865 6.837 0.922 8.344 9.838 61.13 232.9 100. 122.3 213.1 120.5 248.7 115.6 169.1 161.2 184.3 0.331 3.067 7.836 3.366 4.116 7.173 4.056 8.371 3.882 5.425 8.540 0.098 0.693 2.281 0.979 1.196 2.087 1.180 2.436 1.132 1.559 1.579 1.903 0.040 0.372 0.948 0.498 0.889 0.481 1.014 0.471 0.657 0.792 100. 926.3 2367 1016 1243 2168 1225 2528 1175 1617 1638 1975 8.046 74.53 190.4 61.79 100. 174.3 98.55 203.4 94.56 130.1 131.6 158.8 0.482 4.276 10.63 4.692 5.737 10 5.654 11.67 5.425 7.466 7.563 8.117 ADELPHIA SE E/S OPTIONS 231,250 (cents per po D.8411 D.6423 D.6448 Dec 0.11 0.50 1.83 1.75 6.09 8.50 FT GUIDE to WORLD CURRENCIE

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WEEK IN THE MARKETS Metals and coffee in retreat

London commodity markets languished yesterday as New York traders took a second day off to digest their Thanksgiv ing turkeys. And none was more languid than aluminium.

After pushing to a fresh fouryear high of \$2,015 a tonne for the three months delivery position on Tuesday the London Metal Exchange aluminium contract succumbed to tha downward "correction" that most market analysts thought inevitable following the 15 per cent run-up of the past month.

The price quickly back-tracked below the \$2,000 mark and continued downwards as relatively modest selling met little buying resistance. The fall accelerated yesterday morning as speculative liquida tion breached successive chart support points and by the close

Aluminium,	-16,400	to 1,872,150
Aluminium alloy	-20	to 26,700
Copper	-1,850	to 320,075
Load	-875	to \$58,900
Nickel	+792	to 151,254
Žinc –	-3,725	to 1,206,775
Tin	-145	to 28,900

three months metal was trading at \$1,887.50 a tonne, \$12.50 off the low but \$61 down on the day. Traders noted that the nearby supply tightness that had narrowed the cash discount against three months delivery to just \$1 a tonne at Monday's close had eased somewhat. Yesterday the dis-

Supply tightness was still very evident in the copper market, where the cash price remained at a substantial premium to the three months position. And with stocks of copper in LME warehouses continuing to fall prices bounced quite strongly after a mid-week shake-out. The three months quotation, which dipped to \$2,753 a tonne at one stage on Wednesday, closed yesterday at \$2,827.50 a tonne,

WEEKLY PRICE CHANGES

	Latest	Change	Year	15	294
	prices	on week	ego.	High	Low
Gold per troy oz.	\$384,95	+0.95	\$377,00	\$396.50	\$369.50
Silver per troy oz	330.60p	+0.10	315,50p	384.50p	328.30p
Aluminium 99,7% (cash)	\$1872.5	-93.6	\$1038.0	\$1966.0	\$1107,50
Copper Grade A (cash)	\$2857.5	-22.5	51983.5	\$2915.5	\$1731,50
Lead (cash)	\$668.5	-8.6	5415.5	\$676.0	\$426.0
Nickel (cesh)	57625.0	+26	\$4677.6	\$7625.0	\$5210.0
Zinc SHG (cash)	\$1143.0	-33	\$824.6	\$1188.5	\$900,5
Tin (cash)	\$6130.0	-70.0	\$4622.6	\$8270.0	\$4730.0
Cocos Futures Mar	2987	+3	21053.0	21124	£2859
Coffee Futures Jen	\$2963	-295	\$1266.0	\$4091	\$1176
Sugar (LDP Raw)	\$357.7	+19.9	\$263.4	\$357.7	\$252.9
Barley Futures Mar	2104.26	-0.75	2105.79	2105.50	692.65
Wheat Futures Mer	£107.40	+2.00	2101.65	2117,50	537,80
Cotton Outlook A Index	78.00c	+0.90	56.20a	87.10c	82.45c
Wool (84s Super)	460o		344p	4850	342p
Oil (Brent Blend)	\$17,1752	+0.445	\$14.46	\$18.61	513.16

ECONOMIC DIARY - FORWARD EVENTS

Spain UK Gilbs

ECU (Franch Govt)

TODAY: African, Caribbean and Pacific (ACP) Council of Ministers meets in Brussels to debate mid-term revision of EU-ACP Lome Convention (to Dec 2). East Africa summit in

MONDAY: Parliament votes on the increase in the UK's contribution to the EU budget. Major British banking groups' mort-gage lending (October). EU foreign ministers meet in Brussels (to Nov 29). Parliamentary assembly of Western European Union (WEU) meets in Paris (to Dec 1). Strike by Belgian public sector company workers. Dr Ahmed Esmat Abdel Meguid, Arab League secretary general, addresses Chatham House on "The future of Arab integration". FT conference Financial reporting in the UK"

in London. TUESDAY: Mr Kenneth Clarke chancellor of the exchequer presents his budget for 1995/96. US consumer confidence (November). US House of Representatives votes on Gatt agreement: European Union energy council meets. Negotia-tions between Israel and PLO on elections in the West Bank

and Gaza Strip are expected to

resume. Mr Helmut Schmidt, former German chancellor, speaks on the role of Europe at Chatham House. WEDNESDAY:

US INTEREST RATES

BASE METALS

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Base metals continued

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WORLD BOND PRICES

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LONDON METAL EXCHANGE

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II ALUMINIUM ALLOY (\$ per torne

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BENCHMARK GOVERNMENT BONDS

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1948-9

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684-5 690-91

692/683 685-6 683-4

7745-8 7740-45 7810/7730

7740-50

6205-10

6210-20 8256/6190 6193-5 6205-15

1169-70 1181-2 1184/1168 1174-5 1168-9

2827-8 2825-8 2852/2820

unchanged on the week.

Nickel was the only market

to resist yesterday's early

weakness, with commission

house buying enabling it to

ignore news of a sizeable rise

in LME stocks. An advance to

\$7,810 a tonne for three months

delivery proved unsupportable.

however, and the price ended at \$7,745.50, \$3 on the day and

At the London Commodity

Exchange the robusta coffee

market added substantially to

Continued liquidation of long

positions and an absence of

roaster buying combined to

push the January futures posi-

tion down by over \$200 a tonne

on Monday. Tuesday saw a ten-

tative rally but this was

snuffed out the following day

after Brazil revealed that is

coffee stocks stood at about

15m bags (60kg each), substan-tially higher than traders had

thought. The ensuing fall took

the price to \$2,870 a tonne.

\$1,260 below the 8¼-year peak reached on September 21, when a prolonged drought in Brazil-ian growing areas was adding

to crop worries caused by dam-

aging frosts in June and July.

The price bounced to \$2,987 a

tonne but that was still \$296

between producers and con-

sumers over which way prices

go," commented Mr Lawrence

Eagles, analyst at GNI, the

London trade house. "The mar-

ket is awash with coffee now,

but it will be tight again next

In the meantime technical

analysts are concentrating on

the market's downside poten-

tial. "It does have a bit of a

yawning chasm below it now,

said Susan Rigg, of Chart Analysts, after Wednesday's

plunge. And Elli Gifford, of

investment Research of Cam-

bridge, warned that, given the

pace of the decline in recent

days, it seemed "unlikely" that

the coffee market would rally

Chart patterns suggest that

unless the January futures

price can clamber back above

\$3,300 pretty quickly a fall to

Richard Moones

\$2,600 could be on the cards,

to reverse the downtrend.

"There is a significant battle

down on the week.

last week's heavy fail.

\$23 on the week.

Economic trends (November). Monthly digest of statistics (November). US GDP (third quarter). European Parliament mini-session (to Dec 1). International Telematics Conference in Paris. Speakers include Mr Edouard Balladur and Mr Albert Gore. THURSDAY: Share register survey report (1993). Welsh local government statistics (1994). US personal income (October); NAPM (November);

construction spending (October). US Senate votes on Gatt accord. Nato foreign ministers meet in Brussels (to Dec 2). FT conference "Venture Forum

8.59 7.31 7.92 7.31

+0.200 8.58 +0.080 7.31 +0.180 7.92 +0.020 7.31 -0.070 11.74 -0.080 6.91 -0.180 4.65 -0.170 7.38 -0.090 11.06 -4/32 8.43 -4/32 8.43 -4/32 7.81 +4/32 7.81 +10/32 7.94 +0.240 8.33

Treasury (90%) and Bond Yields

5.51 5.53 5.43 5.98 6.88

Europe '94" in London. ker peace in former Yugoslavia meet in Brussels. General strike called in Italy.

FRIDAY: UK official reserves (November). US unemployment (November); leading indicators (October). Conference on Security and Co-operation in Europe (CSCE) Budapest review conference. Foreign ministers from the five-nation "contact group" trying to bro-

COMMODITIES AND AGRICULTURE GRAINS AND OIL SEEDS LONDON COOT MADVETS

E CRUDE OIL FOR (per	\$16.04-6.07z	+0.03
Dubal Ducat Class (detail)	\$16,96-6.99	-0.025
Brent Bland (dated) Brent Bland (Jan)	\$17,16-7.18	+0.025
N.T.L (1pm est)	4.7110-7.10	
	المعاونة والمسا	E annu
OIL PRODUCTS NWE	on promary c	A DWIN
Premium Gestëra	\$173-175	
Gas Oil	\$153-155	-2
Heavy Fuel Oil	\$100-101 \$179-183	+1
Naphtha Los had	\$172-175	+1
Jet fuel Diesel	\$159-180	-0.5
neses Petroleum Argus, 7el. London		
E OTHER	50. 17 mm max	
Gold ther troy call	\$384,95	+0.45
Silver (per troy 02)	517.5c	+1.0
Platinum (per troy oz.)	\$410.50	
Pallacium (per troy cz.)	\$154.15	+0.35
Copper (US prod.)	135.0c	
Lead (US prod.)	40.75c	
Tin (Kuala Lumpur)	15.60r	+0.11
I'm (New York)	N/A	
Cattle (live weight):	119.5 9 p	+0.21
Sheep (Ive weight)†	107.16p	+1.07*
Pigs (live weight)	82.02p	+4,40
Lon. day sugar (raw)	\$357.70	+2.0
Lon. day sugar (wts)	\$417.0	+20
fate & Lyfe export	£343.0	+1.0
Barley (Eng. teed)	Ung.	
Maize (US No3 Yellow)	£132.0v	
Wheat (US Dark North)	\$166.0v	
Rubber (Dec)	90.00p	+0.75
Rubber Want	89.50p	+0.25
Rubber (KL RSS No1 Jul)	349.0m	+3.0
Coconut Oil (Philips	\$715.0g	+5.0
Palm CR (Malay.)§ Copra (Phill)§	8735.Qu \$484.Qq	+15.0
Sovebeens (US)	£187.0	-100
Cotton Outlook'A' index	79.00c	
Monitone (64s Super)	4600	

ENERGY

	UDE OIL	PE (S	рети)			
	Sett	Day's charge	H)gh	Law	Open	Tol
	17.18	+0.01	17.25	17.14	92,692	12,757
b	17.01	+0.03	17.07	15.97	37,277	2,464
	18.92	+0.03	16.94	18.86	15,648	861
	15.84	+0.08	15.57	18.82	6,927	96
	18.81	+0.04	15.85	18.77	4,800	248
	15.79	+0.07	-		5,171	-
at al					171,552	16,201
a	S OIL PE	(\$/mm	i			
96	152.25				31,605	
	154.75	-	155.25	154,00	24,122	2,745
	156.25		158,75	155.75	15,704	580
	157.00	-0.00	157.00	100 00	10 174	900

200

7.24 7.44 7.45 7.45 7.45

WHEAT LCE (E per torne) Day's 105.20 -0.30 105.00 105.00 107.10 -0.35 107.25 106.95 109.10 -0.35 109.20 108.95 110.90 -0.30 110.85 110.85 94.75 -0.40 95.00 95.00 1,559 1,658 130 84 768 BARLEY LCE (2 per tonne) 102.50 134 -0.50 104.25 105.95 93.50 95.00 -0.25 -0.25 A POTATOES LCE (E/torme 271.5 285.5 305.0 +6.0 286.0 282.0 +12.6 1,262 219 1.264 219 E FREIGHT (SIFTER) LCE \$10/m 240 384 1,177 1,104 148 17 1929 1929 1935 1732 1505 1650 +2 +4 +6 -1 -5 -17 1935 1824 1729 1835 1835 1735 43

PRECIOUS METALS E LONDON BULLION MARKET Prices supplied by N M Rothechile 384,50-384,90 245,876 384.65 246,021 384 80-385.20 384.40-384.70 384.30-384.70 A.BB B months . Loco Ldn Me 5.09 12 months 517.26 524.75 532.80 551.85

353,75

\$ price 386-389

395.40-367.90 395-398

Gold Coin

£ equiv. 247-250

三人以及在表別 49 59 93 1800 1900 E COP (Grade A) LME 156 185 216 2750 E COFFEE LCE 258 291 225 204 187 171 III COCOA LCE E BRENT CHUDE IPE Spices Pepper Europe

LONDON TRADED OPTIONS

S, reports Mari Productors, some reportu-ser local market, however, in; the cloves at demand from India and Singapore uraged exportans from Madagescar to the prices. The Marigascar crop, now is wing, is especial to be assister, largely to aft of lest year's torracto. Nutrings an actions remained generally stable. Softs continued

12.00 14,70 14.53 -0.01 WHETE SUGAR LCE (\$/100F) +2.10 410.00 408.59 11.174 +0.40 408.10 400.00 4,469 +0.20 382.10 380.30 8,383 -0.20 382.00 380.30 1,577 -0.50 - 190 409.90 402.90 362.80 362.30 360.00 359.50

38,100 +0.450 36.600 35.750 7.857 38,250 +0.425 36.750 36.000 1,278 37,375 +0.425 36,300 37,300 462 38,300 +0.400 36,600 38,200 39, 38,800 +0.100 37,400 35,600 108 SOFTS IN COCOA LCE (E/long COFFEE LCE G/40 2954 2015 2970 2942 2025 2954 2960 2945 2915 2905 111 5 70,955 572 9,225 260 4,360 127 1,466 57 INDICES REVIERS (B) III CRB Forb Nov 25 230.93

0.32 0.50 1.08

Est, vol Open Int.

ra200m 100ths of 100%

242

Est vol Open int.

Est, vol. Open int.

468,249 323,067 24,464 105,935 1,950 12,565

36482 5040

1207

MEAT AND LIVESTOCK

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Self. Dep's price champs High Tony

ELIVE HOGS CHE (40,000bs; conta

41.175 +0.125 41.200 40.925 38.900 +0.050 39.025 38.900

67,675

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-0.125 63.100 62.750 2.071

\$1.850 +0.200 \$2.050 \$1.750 \$11.054 \$2.855 \$4.550 +0.250 \$34.675 \$34.600 \$12.465 \$1.955 \$1.625 +0.250 \$35.675 \$6.400 \$4.074 \$35.625 +0.250 \$35.675 \$6.400 \$4.074 \$35.675 \$1.100 \$4.050 \$4.175 \$4.120 \$4.050 \$3.000 \$4.575 \$274 \$4.175 \$4.120 \$4.050 \$3.000 \$6.52 \$15.

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BOND	FUTUE	ES ANI	D OPT	IONS				E LONG	ERM PR	ENCH BONE	OPTION	MATES.	
Franc								Strike Price 110			T-3	Jun	Jen
Dec Mar Jun Germa		Sett price 112.52 111.70 110.86	+0.08 +0.06 +0.08	112.68 111.84 110.88		Est. vol. 121,485 7,911 333	118,535 38,118 3,248	177 112 113 114 Bat. vol. total	0.	72 1.3 35 0.1 18 0.1	96	1.14 ue day'e op	0.56 on let. Cult
Dec Mer Jun	Open 91.30 90.50 88.85 FUTURBER	Sett price 91,48 90,72 86,97 OPTIONS &	+0.18 +0.24 +0.24	90.80 89.85	Low 91,19 90.40 89.85 ints of 100%	Est. vol 118102 17788 1	Open Int. 140820 64142 1			8ett price 100.78 90.75	Chunge -0.22 -0.18	High 101.42 100.95	Low 100.54 99.80
Strike Price	Jen	Feb CAL	18		lan Feb	PUTS -	Jun	Jun III ITALIAN	GOVT, B	98.76 OND (BTP)	-0.13 FUTURES	OPTIONS	(LIFFE) LI
9050 9100 9150 Bat. vol. to	0.78 11.62 0.33 nd, Calle 1346	0.86	1.08 1 0.81 0	L10 0.	58 0,88 80 1,13 11 · 1,42 nt., Calle 1279	1,51	1,86 2,13 2,44	Stribus Price 9000 10000 10000 Est. vol. total	1. 3	CAL Mar 2.18 1.08 1.70 1 Puts 306. Pr	1102 0.88 0.67		Mar 1,93 2,18 2,45 Calls 8991
Spain mono	NAL SPAN	SH BOND I	FUTURES	(METF)				UK			a. (*		
Dec	Open 86.06	Sett price 87,86	Change -0.03	High 88.10	Low 87.50	Est. vol. 60,489	Open Int. 78,438	E NOTION	Open	Gelt price	Charge Charge		2nds of 10 Low

NOTE	Open	Sett price	Change (High	Low	Est vol	Open Int.	UK E NOTE	ONAL UK G		8 (LIFFE)* :	250,000 3	2nds of 100	196
Dec Mar ME LONG	88.08 87.15	87.86 87.02 RES OPTIO	-0.03 -0.28	88.10 87.19	87.60 87.00	60,489 2,136	78,438 7,260	Dec Mar Jun	Open 103-15 102-24	Sett price 103-05 102-15 101-15	-0-04 -0-08 -0-03	Hgh 103-16 102-24	102-27 102-04	
Strice		CAL				PUTS -			REASURY B	OND FUTUR	ES (CBT) \$	100,000 3	2nds of 10	0%
Price 102 103 104 Set, vol. 1		Mer 2-02 1-32 1-05 Puts 3657, Pr	2-18 1-64 1-31	nown tri (Mar 1-35 2-02 2-39 Salar 0890 Ph		Jun 2-52 3-24 1-01	Dec Mar Jun	Open 98-18 97-30 97-15	Sett price 98-31 98-12 97-27	Change +0-06 +0-06 +0-07	99-03 95-18 97-30	98-18. 97-29 97-13	402

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707	1-00	1-21	2-00	401	
Sat. vol. total, Cal	ir 464 Puna 3657. P	horlous day's open	ht., Calle 9559 Puts II	525	
Ecu					
ECU BOND	FUTURES MATE	7			_

FT-ACTUARIES FIXED INTEREST INDICES

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II NOTIONAL LONG TERM JAPANESE GOVT. BOND PUTURES (LIFFE) Y100m 100ths of 100% Close Est, vol Open int. 106.73 108.78 108.10 106.83 107.96 106.09 PH Nov 25

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Titur Nov 24 Nov 25 UK Offits Price Indices Up to 5 years (23) 5-15 years (23) Over 15 years (3) tredeembles (5) All stocks (50) 120.61 141.35 158.93 179.79 138.45 120.69 141.24 158.64 178.83 130.34 2.18 2.15 3.05 1.11 2.32 5.07 4.36 4.41 129.20 -0.11 129.34 10.27 Nov 24 Yr ago Nov 25 Nov 24 Yr ago Nov 25 Nov 24 Low -8.32 8.32 8.29 8.87 6.02 6.88 6.99 7.15 5.57 (19/1) 6.30 (20/1) 6.41 (20/1) 6.62 (24/1) 8.55 8.70 8.63 8.51 8.57 8.59 5.39 7.10 7.19 Up to 5 yrs 2.61 3.64 1.30 9.47 9.45 7.55 10.07(20/9) 7.19 (10/1) 9.44 9.42 7.97 9.98 (20/9) 7.38 (20/1) 6.18 9.90 (20/9) 7.49 (10/1) Autre 8%-104%; High: 11% and over. † Ret yield yid Year to date. FT FIXED INTEREST INDICES **GILT EDGED ACTIVITY INDICES** Nov 25 Nov 24 Nov 23 Nov 22 Nov 21 Yr ago High!" Low Nov 24 Nov 23 Nov 22 92.09 92.93 92.97 91.86 81,74 108.64 107.04 89.54 106.88 108.95 106.88 108.93 106.15 124.23 133.87 106.50 recurries high since completion: 127.40 (2/1/39, low 48.18 (2/1/79, Pead Intelliges, SE activity indices returned 1974. 134.8 140.4 145.0 118.9 UK GILTS PRICES ist Red Price £+pr— High Low int Red Price £ + or - High Low Sharks" (Lieux up to Flux Years) 12pc 1985 11.9 Exch 3pc San 1980-65 3.0 104pc 1985 16.0 Traps 124pc 1985| 12.0 7.19 745, 8.43 884, 8.43 884, 8.42 1005, 8.78 1025, 8.78 1228 8.49 965, 8.78 1165, 8.60 1235, 8.42 1048, 8.42 888, -1 254 -4 1254 -4 1054 -4 1055 -4 1055 -4 1265 -4 1156 -4 1166 -4 1265 -4 1265 -4 1265 -4 1265 -4 1265 Funding 31₂₉c 1998-4... Conversion 91₂cc 2004.... Trees 61₄pc 2004ep.... 4.89 5.89 1015
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-1, 1205; 1003;
-1, 127; 1005;
-1, 137; 92;
-1, 1144, 804;
-1, 1261, 99;
-2, 1594; 126; 8.29 8111 8.41 105.6 8.40 105.1 8.15 75 8.14 9651 8.35 1961 8.35 1961 8.37 1961 10012 1005 711 Adian Der 10kge 2009.

S'hun 11kge 2012.

Schund Cap Bigge '10.

Spe Cap 1996.

Spe 297-2.

Spelle 2011.

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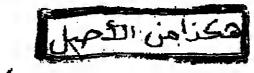
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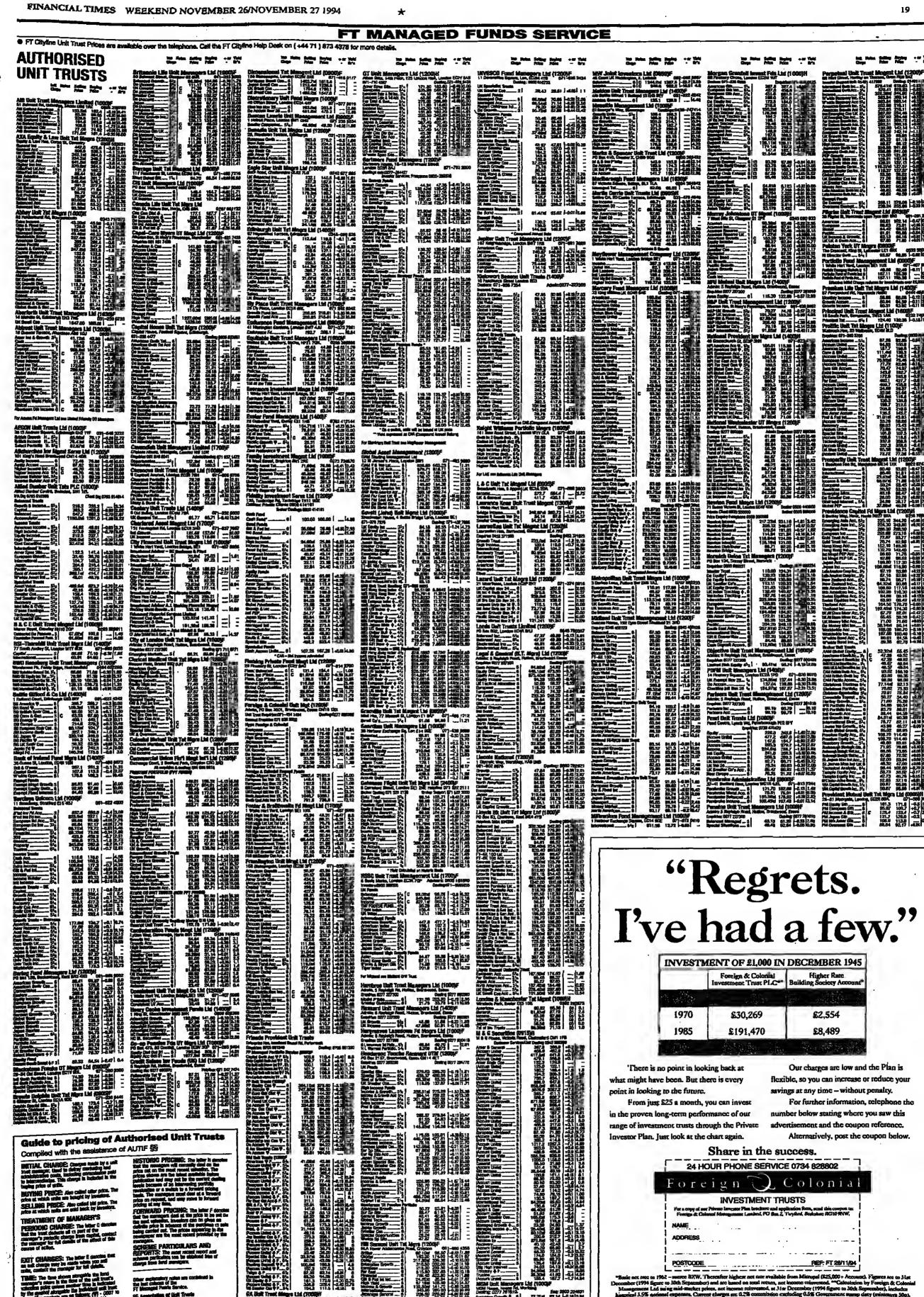
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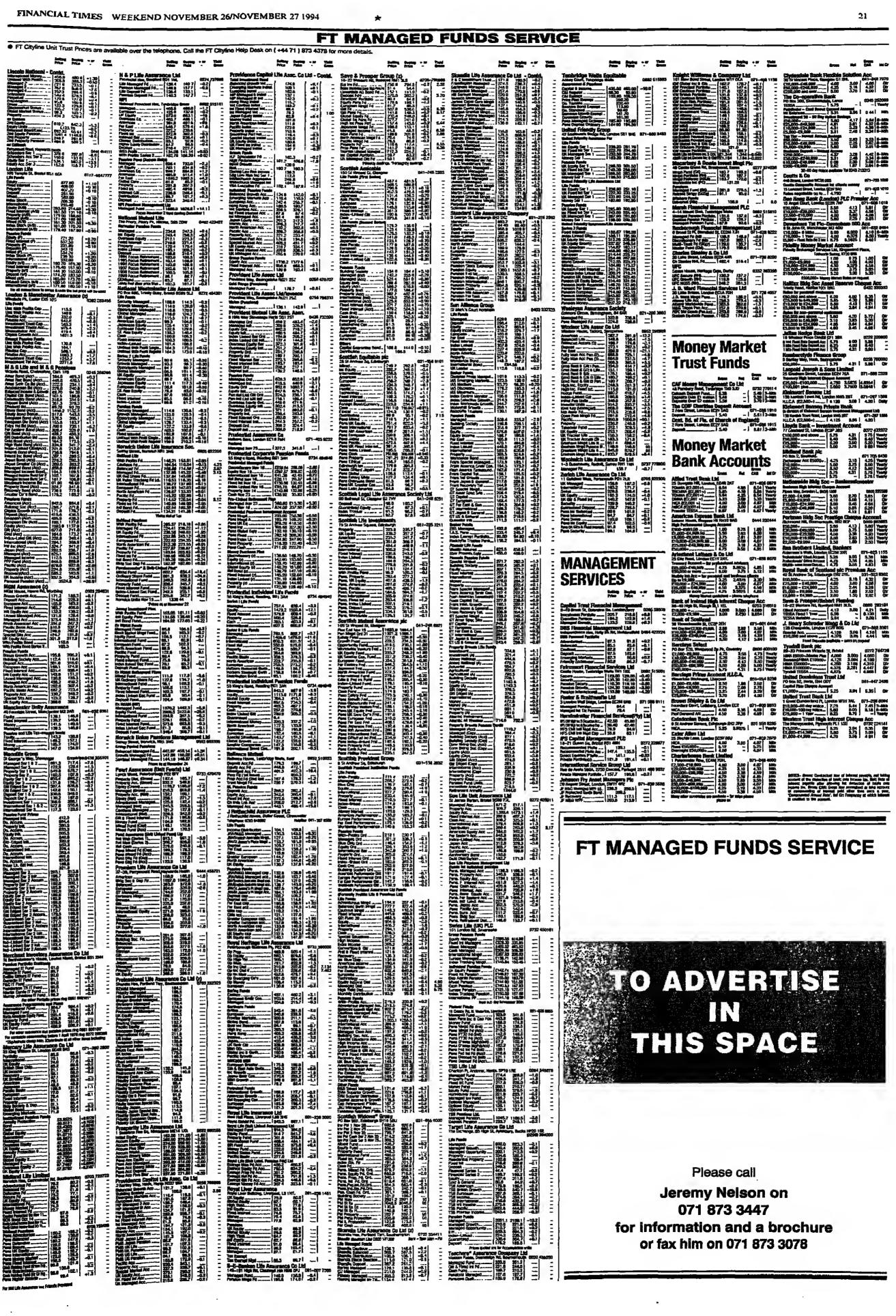
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Production! Unit Trunds £dd (1200)F Of -00 light 14th, Stort, Season \$11.20.	Supple St. Supple St. Supple St.		1969 URX FILES WATER PRINTED URX TUDO FILES	Project Proj	3 Status President (Manual Laboratoria) - Informatical Print (Fig. 174 A 180.5 — - Informatical Print (Fig. 174 A 180.5 — - Informatical Print (Fig. 174 A 180.5 — - Print (Fig. 174 A 180.4 — - Print	17 New Co. Wilston-Service - Fundy A Managed Cor 2 774.00 21.10 - Fundy Cort Ser 2	Property Ser.
Production land between 8 St. 2 and 1 and 2 and	17.30	## A	The state Column	Access Ser 4 227.4 345.1 48.4 48.5 192.5 48.4 193.5 192.5 48.4 193.5 192.5 48.4 193.5 192.5 48.4 193.5 192.5 48.4 193.5 192.5 48.4 193.5 1	Carb		Panel of New 177 A 792 1921 1921 1921 1921 1921 1921 1921 1921 1921 1921 1921 1921 1921 1921 1921 1922 1
Bork Asset Ugant (Unit Trust) Lid (0005)	1	pean	15.23 5.24 4.12 4.91 Oglyrich Unit Treat Managers Lid (1700)H White Oak Square, Sewarton RRI [/45	### ### ### ### ### ### ### ### ### ##	UK Enrilly	Sparing Horeis Sparing Horeis Tourishan Funds Tourisha	Button Set Set A 202.3 40.4
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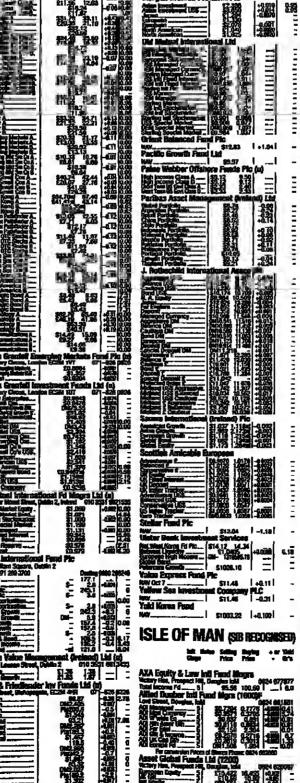
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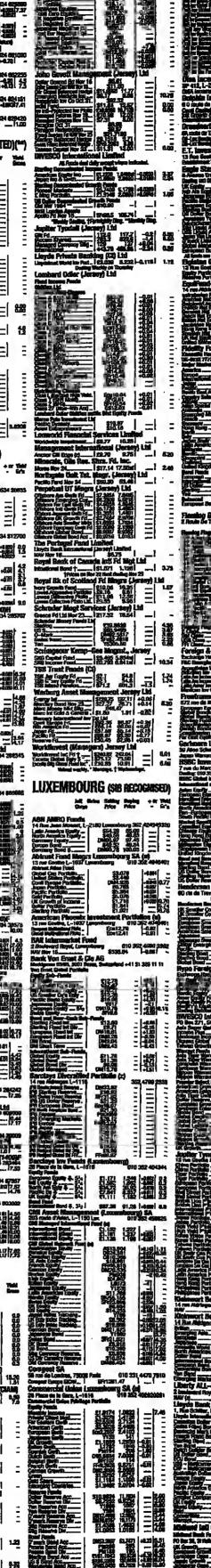
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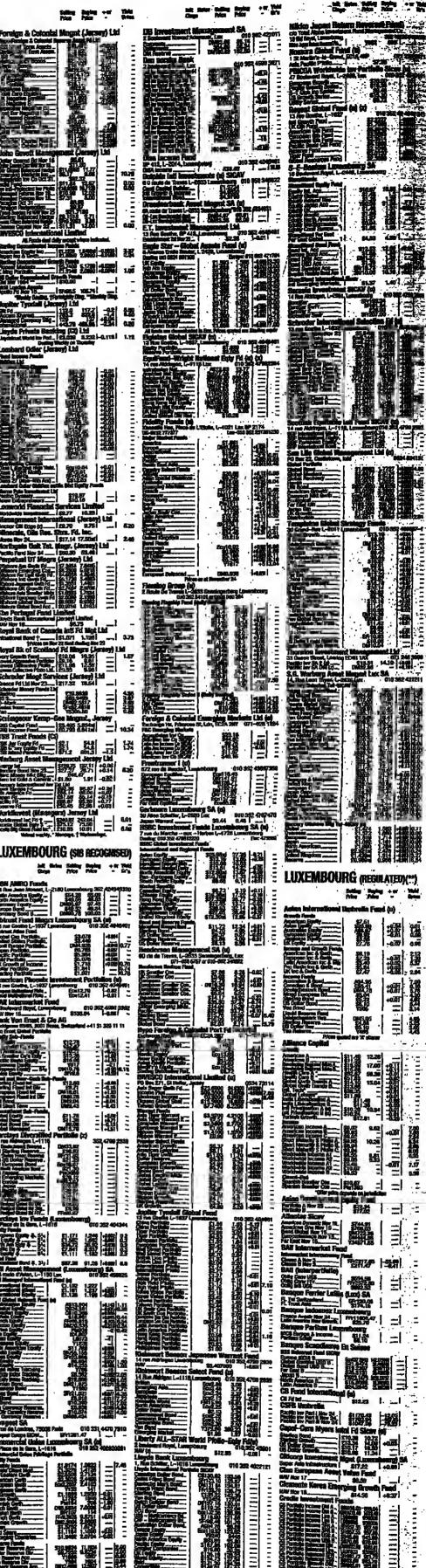




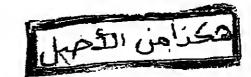


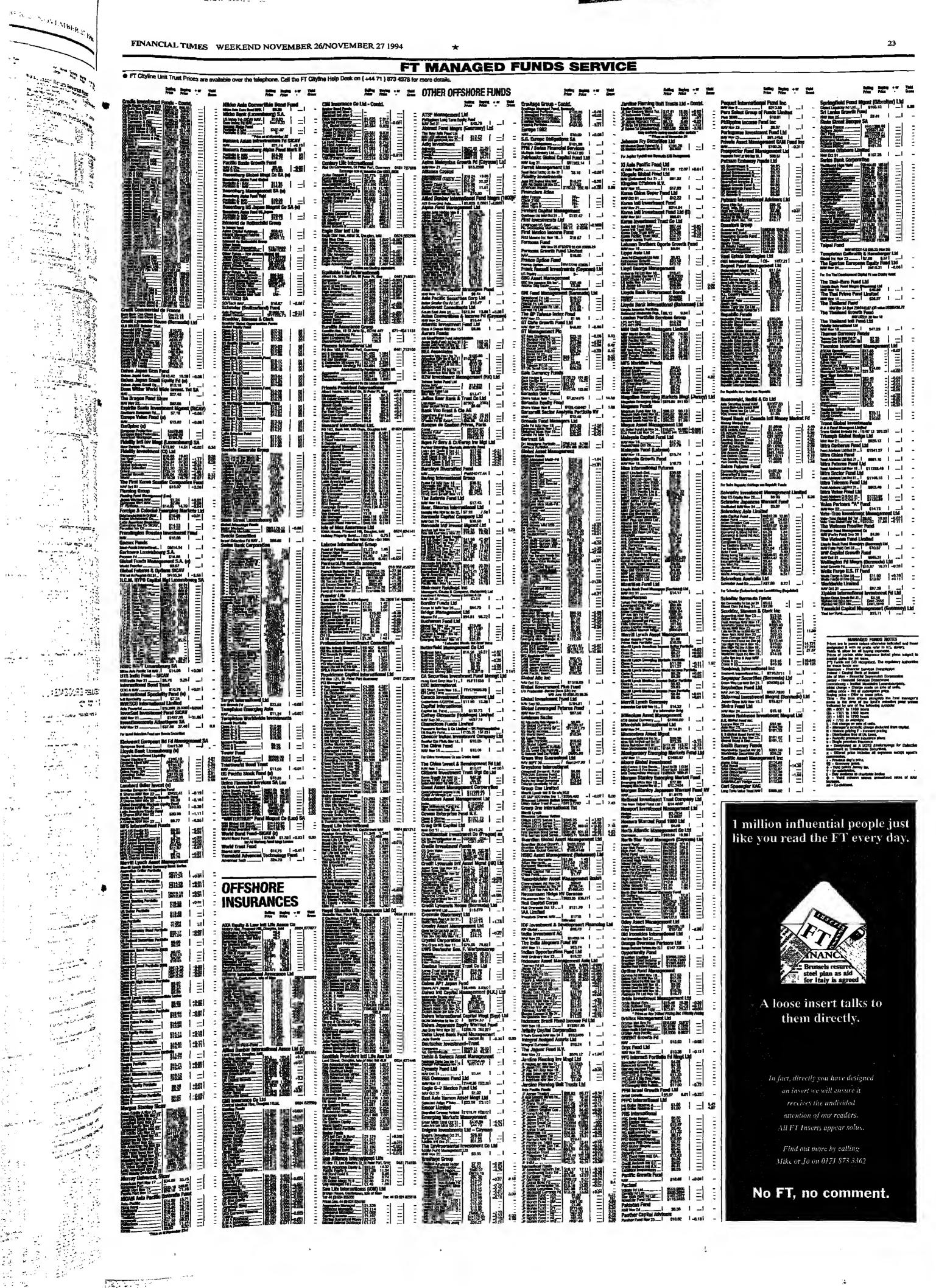






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Unless otherwise indicated prices are in pence. The prices are those at which the business was done in the 24 hours up to 5 pm on Thursday and settled through the Stock Exchange Tallsman system, they are not in or scution but in ascending order which denotes the day's highest and lowest

those securities in which no business was recorded in Thursday's Official List the latest recorded business in the four previous days is given

Rule 4.2(a) stocks are not regulated by the International Stock Exchange of the United Kingdom and the Republic of Ireland Ltd. # Bargains at special prices.

Bargains done the previous day.

British Funds, etc.

Corporation and County Stocks

Birmingham District Council 11 2% Red Stk 2012 - £118 4 8 odey Metropolitan survey Stk 2018 (Regiff/F) - 200 Chategoffloyd Vensington & Chalesaffoyal Boroughin1.15% Red Stx 2006 - E111½ (23No94) Aeda(City of) 13½% Red Stx 2003 - E124¼ (18No94)

Manchester(City of) 11.5% Red Stk 2007 -£115¹2 (21No94) tanchester Corp 1891 8% Red Stk 1941(or after) - 230¹2 (18No94) ter Corp 4% Cons Ind Stk - £4012 (18No94) (18No94) (alford (City of) 7% Ln Sik 2019(Reg) - 280¹2

UK Public Boards

Port of London Authority 3% Port of London A Sik 29/99 - 979 (18No94) Foreign Stocks, Bonds, etc-(coupons payable in London)

bbsy National Starling Capital PLC8-k% Subord Gtd Bda 2004(Br2Vara) - £95-k**©** Abbey National Starting Capital PLC11129 Subord Gtd Bds 2017 - £115.83 .85 %

Obey National Treesury Serve PLC 7456 Gtd Nts 1996 (Br & Var) - £97 & £38004

Abbey National Treasury Serve PLC 5% Gtd Bde 2003 Gr £ Varj - 592 3 3 4 Anda Finance Ld 104 % Crv Cep Bde20056r £80008100000) - £10612 0056ar 2500081000000) - £108¹2 ded British Ports Hidgs PLC 10²47 201568£2100008100000) - £108<u>1</u>3 (23N094) Issociated British Ports Hidgs PLC 117₆% Eds 2011 (Sr £10000£100000) - £1184

9T Finance B.V. 85% Gtd Bds 1995 El Pinance B.V. 87% Cot 968 1899 (Ex550085000) - 3100,73 (23Ne94) Berdays Bank PLC 6.5% Nts 2004(Br2Vari-cus) - 253,6 12 (23Ne94) Barclays Bank PLC 9% Perm Int Bearing Cepted Bidg(Br2 Var) - 2861, (23Ne94) Barclays Bank PLC 9.875% Undated Subord No. - 2077-6 86

Barciaya Bank P.L.C 9.875% Undated Subord Na - 597% by 50 Blue Carcle Industries P.L.C 10½% Bds 2013 (Br250003.10000) - 5108½ Brasslord & Bingley Building SocietyCollared RightsNts 2003/Reg Matriff:10003 - 534% Brasslord & Bingley Building SocietyCollared RightsNts 2003/Beg Ratiff:10003 - 5344 Finds Rights Nts 2003 (Br £ Var) - 594 Brhath & West Building Society 10½% Subord Bds 2018 (Br £ Var) - 5101½ (27.1054) British Gas P.L.C 12½% Bds 1995 (Br £ 2004) Betting Gas P.L.C 74% Nts 1997 (Br £ Var) - Betting Gas P.L.C 74% Nts 1997 (Br £ Var) - Betting Gas P.L.C 74% Nts 1997 (Br £ Var) - Betting Gas P.L.C 74% Nts 1997 (Br £ Var) - Betting Gas P.L.C 74% Nts 1997 (Br £ Var) -

h Gas PLC 79% Nts 1997 (Br & Var) dition Gos PLC 107-% Bds 2001/Br 21000,100008100000) - 2107% (21No94) ritish Gas PLC 81₈% Bds 2003 (Br 2 Var) -1947 British Gas PLC 87; % 8ds 2003 (Br £ Var) -

897 (21No94) British Telecommunications PLC Zero Con Bds 2000(BrE1000&10000) - 983 mmunications PLC 71x96 Bds

turnah Castro Capita(Jersey) Ld 91/2% Cn Cap Bds 2006 (Reg £1000) - £137,93 8 1/4 32 1/2 9 1/2 CFH Canital Ld 51/4 Crw Cap Bds 2005(Br\$5000) = \$121 Cable & Wireless Int Finance BV 852% Gtd Bds 2019(Br£ Vars) = £91% (22No94) Delty Mail & General Trust PLC 8% & Each

ridiGnadom of 64% New 1998 file £ Var) = 294-7g Depte Finance N.V. 7¹g% Gtd Bds 2003 (Er £ Var) = 587-7g 3g Instern Electricity PLC 61/9% Bds 2004(FirE Varid - 595,05 (22No94) rise Finance PLC 85/96 Gtd Ench 8ds 2006 (Reg £5000) - £10

El Enterprise Finance PLC 84% Gtd Each 9(Br£50008.100000) - £97.95 8¹4 For Eastern Department Stores Ld 3% Bot 2001(Reg Integral muttl \$1000) - \$61 4 (28Ne94)

- 2103 (22No94) Ford Credit Europe PLC 65-8 Nts 1897(Er2100,10000,10000) - 21001₈ (23No94) Forte PLC 85-8 8ds 1897 (Br 25000) -588.42 (21No94)

Forte PLC 8-3% 808 1897 (8* 530.00) 538.42 (21No84)
GESB PLC 8.3676 Gad Suc Bds 2018
(BC:1000) - 53833 222No94)
General Electric Gredit Int'l NV Zero Cpri Citcl
Nts 1985(9-61000210000) - 588.3 (18No84)
Gustanteed Export Florence Corp PLC 105% 6
Gustanteed Export Florence Corp PLC 105% (20No84)
Gustanteed Export Florence Corp PLC 60d
Zero Cpri Bds 2000(8+2100008100000) 53034 (23No84)
Gutneed PLC 75% Nts 1897 (8* 2 Var) 59774

697% Guinness Finance BV 996 Glid Nta 1996(341000810009) - 5101.71 (22N004) HSBC Holdings PLC 97% Subord Bds 2018 (Br £ Var) - £99.995 Halliax Building Society 61₂% Bds 2004 (Br21000,10000,100000) - £227₈ 31₉ .180

(221\cite{0})
halton Building Bociety 8\frac{1}{2}\frac{1}{2}\frac{1}{2}\text{ Nin } 1000(8\cite{0}\text{Variety} - 236\frac{1}{2}\text{\$\frac{1}\text{\$\frac{1}{2}\text{\$\frac{1}{2}\text{\$\frac{1}{2}\text{\$\frac{1}{2}\text{\$\frac{1}{2}\text{\$\frac{1}{2}\text{\$\frac{1}{2}\text{\$\frac{1}{2}\text{\$\frac{1}\text{\$\frac{1}\text{\$\frac{1}\t

(Harnon PLC 8½% Chv Subord 2006 (Br EVer) - E1024, (23No84) Hickson Capital Ld 7% Chv Cap 8ds 2004

22No94) neal Electric Power Co Inc 7¹e% Nts 1996

Kansei Electric Power Co Inc 71g % Nts 1998 (Er 2 Var) - 2984 (23No84) Land Securities PLC 91g % Cnv Bds 2004 (8725000350000) - 2108 (22No84) Leads Permanent Building Society 71g % Nts 1997(97Xvar) - 2971s (21No84) Leads Permanent Building Society 111g % Nts 1998 (Er 250008100000) - 21041s (22No84) Leads Permanent Building Society (111g % Nts 1998 (Er 250008100000) - 21041s (22No84) Leads Permanent Building Society Collared Pringflechts 2003(Ploy MulliC1000) - 255 96 (18No84)

(18No64) Lewis (John) PLC 1012% Bds 2014 (8P210000810000) - 2107.97 (21No64) Lloyds Bark PLC 7*2% Butord Bds 2004(8P2/winks) - 288*g (21No84) MEPC PLC 1014% Bds

MEPC PLC: 104;45 Bd9 2008(92:10008:10000] - 21017g (23No94) Merica & Spencer Firence PLC: 7g% Glid Na. 1998 (Br £ Var) - £957g (22No94) Mellomal Grid Co PLC: 7g% Bda 1988 (Br £ Var) - £954g (11084) Mellomal & Provincial Bidg Society 84,1% Nis 1998 (Br £ Var) - £984g (23No94)

ational & Provincial Bidg Society 10¹,% Subord Bds 2006/11 - £105(2) National Westminster Bank PLC 1112% Und-SubNts £1000(Chr to PrijReg - £102³4 etional Westminster Bank PLC 11¹2% Und National Westwaters Harry P.C. 11276 UNIX-Subhits E1000Car to Priger - C10274 Nationwide Building Society 61/4% Nits 1996(R*C Vers) - 2881/2 Nippon Telegraph and Telephone Corp 107/4% Edia 2001 (8r £1000810000) - £1081/4

(22NG94) Namway ((Ingdom of) 8.375% Nts 2003 (Br SC Var) - \$C92% (21Ng94) Osolo, Gas Co Ld 8.125% 8ds 2003 (Br C Var) - 293³g VowerGen PLC 8⁷g% 8ds 2003 (Br

£100008.100000] - £97%, (22Ne94) RMC Gental Ld 8%% Cmr Cec Bds 2006 (9r 10) - £129 idon PLC 83:1% Bds 2003 (Br €

Incare Navigation Corporation 3.75% Bds 2003 (Br \$100008100000 - \$102¹2

hidine Beechern Capital PLC 74% Git Smithidine Beachern Capital PLC 74,16 Girl
Nts 1998 (Sr 2 Var) - 1995; (2140-94)
Smithidine Beachern Capital PLC 84,96 Gid
Nts 1998 (Sr 2 Var) - 527,2 (1810-94)
Societe Generale 7,875% Plarp Subord Nts
(Br 2 Var) - 528-1, (1810-94)
State Bank of New South Waises Ld 7% Bds
1999 (Sr 34 Var) - \$489-1, (2210-94)
TSB Group PLC 12% Subord Set 2011 (Br
21000031000000 - 21171; (2220-94)
Terrace Florence Literate Ld 548-6 Chu Cap

Tarmac Finance (Jersey) Ld 8/2% Cnv Cap Bde 2006 (Reg 21000) - 198 ½ .55 ¼ Tate 8. int Finance PLC 8% Gtd Bds 1989(H21000310000) - 298¹4 Fatasi ya kuffiri PLC/Tatasi ya PLC 5¹4% TSLHFnGd9ds 2001(Br) W/WtsTSLPLC -

E94³/₃ 1 Teeco Capital Ld 9% Criv Cap Bds 2005(Flor £1) - £118 ¹/₄ ½ ³/₄ Thernes Water PLC 9³/₂% CnvBubordBds 2006[Br25000850000] - £122 (22) 31 Group PLC 10³4% Gtd Bds Fokyo Electric Power Co Inc 71,5% Nts 19 (Br £ Var) - £35% (18No94) tor E. vary - core; (corecity) Trensury Corporation of Victoria 81;% Gbd 8ds 2003 (8r £ Var) - 9891-2 (22Ne94) U-Ming Marine Transport Corporation 1 1/2% 8de 2001 (Reg In Mult \$1000) - \$101

(188/09) stung(S.G.) Group PLC 9% Perp Subord National PLC 9% 903-6 National PLC 94% 903 2009(8/51000210000) - 5101,78 (18Ne84)

Weish Water Utilities Finance PLC 75/96 Gid Bds 2014(Br£Var)(P/P) - \$1014 (23No84) Yuen Foong Yu Peper Mig Go Ld 2% Corpo-rate Bds 1999(Br\$10000) - \$118.95 129No80 Export Development Corp \$C300m 7% Debt

Hambridia 27/996 = 3C95,19 GMAC Australia (Finance) Ld \$ASOm 7.25% Ns 18/11/98 = \$A86 90 (18/094) Landesloeditionik Baden-Wurtlemberg \$200m 7% Nts 3/11/97 = \$981₈ 88,45 (22No94) ow South Wales Treesley Corp \$43.4m 12% Global Ede 1/12/2001 - \$4106.197 (22No94) weden(Kingdom of) £800m 71₂% Nts 3/12/ Sweden(Graption of) 5000m 7½% Nts 3/12/ 97 - 597% (23No94) Sweden(Graption of) 5250m 7% Instruments 23/12/99 - 594 % (21No94) Sweden(Graption of) 5250m 7% 56 5d4 28/7/ 2000 - 594,405 (23No94)

Sterling Issues by Overseas Borrowers

Asian Development Bank 1014% Ln Stk 2009(Rag) - 21121s (23No94) Bank of Graeca 1014% Ln Stk 2010(Reg) -296 (21No94) Furthern forwarment Bank out I - Stk ent Benk 9% Ln 8tk 2001 (198) - £101/2 European Investment Bank 9% Ln Stk 2001 (87£3000) - £101/3 [211k694] European Investment Bank 8/2% Ln Stk

2009 - £1064,
European Investment Benk 11% Ln Sik
2002/Peg - £111½ (22No94)
Gibrellar (Government of) 11% % Ln Sik 2005
(Reg) - £1174, ½
International Benk for Reg & Dev 9½ % Ln
Sik 2010/Reg) - £1054, (18No94)
International Benk for Reg & Dev 11.5% Ln
Sik 2003 - £116% (18No94)
Ireland 12½% Ln Sik 2008/Reg) - £1254,
£25No94)

(23No84) New Zeoland 114,% Six 2008(Reg) - £1174 New Zeoland 114,% Six 2008(Reg) - £121 Province of 11 4% Ln Stk 2019 ova Scotla • £1220

- £7229
Petroleos Mexicanos 14½% Ln Six 2006 £120 (16Ne84)
Portugal(Rep of) 976 Ln Six 2016(Reg) - £99
£22(e94)
Province de Quebec 12½% Ln Six 2020 £12726
Sweden(Gradem of) 8½ & Ln Six 2020 -127299 Sweden(Gingdom of) 934% Ln Stic 2014(Reg) - £103() (2294084) Transcareda Pipelines Ld 163₂% 1st Mag Pipe Line See 2007 - £147 g 2394084)

Listed Companies(excluding Investment Trusts)

ABF investments PLC 5¹2% Une Ln Sik 87/ 2002 50p - 38¹2 ¹4 ABF investments PLC 7¹2% Une Ln Sik 87/ 2002 50p - 44¹5 APV PLC 525% Cam Pri 21 - 65 (21No94) ASH Capital Finance/Jorsey/Ld 9¹2% Cnv Cap Bde 2006 (Peg Units 100p) - 271 Aberdson Trust PLC A Wits to Sub for Ord -45

43
Abirust Alias Fund Sta of NPV(Starting Portfolio) - £1,013 (22No94)
Abart Fisher Group PLC ADR (10:1) - \$6.08 (23No94)
Alexander & Alexander Services Inc Ste of Class C Cum Sk \$1 - £114,
Alexander Hdgs PLC "A"(Fish,M)Cnd 10p - 15 (22No94)
Alexander Hdgs PLC 9½% Cum Prf £1 - 81½ (22No94) 15 (22No94)
Alexanders Hidgs PLC 9¹2% Cum Prf £1 811₂ (22No94)
Alexan Group PLC 6.25p (Net) Cnv Cum Red
Prf 10p - 54 (22No94)
Alland Domson PLC ADR (i:1) - 39.94 8.96
9.1 (22No94)
Alland Domson PLC 7¹2% Cum Prf £1 - 78
(22No94)

Alliad Domacq PLC 71-2% Cum Prf £1 - 78
(23No94)
Alliad Domacq PLC 71-3% Ums Ln Six - 283
Alliad Domacq PLC 71-3% Ums Ln Six 93/96 256 (23No94)
Alliad London Properties PLC 103-3% Int Mig Deb Six 2025 - £108.45 (18No94)
Alliad-Lyora Financial Services PLC5-1, %
Geochyloborolizication Regislation 1000 £108-2 7 (23No94)
American Brands Inc Six of Com Six \$3.125
- \$34 (23No94)
Ancienes Sylates Group PLC Criv Prf 50p - 48
Angilan Weber PLC 51-3% Index-Linked LnStx
20008.257934) - £1314, (21No94)
Angio-Eastern Plantations PLC Warrants to
six 557934 - £100 (23No94)
Angio-Eastern Plantations PLC 121-2% Uns
Ln Six 55793 - £100 (23No94)
Angio-Eastern Plantations PLC 121-2% Uns
Ln Six 55793 - £100 (23No94)
Angio-Eastern Plantations PLC 3214, 32

in Sti 95/99 - £100 (23No94)
Angloved Ld N Ord R0.0001 - \$3114 32
229/094)
Attwoods PLC ADR (5:1) - \$3240
Attwoods PLC ADR (5:1) - \$3240
Attwoods (Financa) NV 812p Gtd Red Crw Pri
(0 - 91

utometed Security(Hidge) PLC 6% Cnv Cum Red Prf 21 - 44

FT-SE ACTUARIES INDICES

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Avdel PLC 1012% Uns Ln Stk 96/98 - £100 (23No94) BE F PLC ADR (4:1) - 38½ Ф BE F PLC ADR (4:1) - 38½ Ф BM Group PLC 4.5p (No9 Cm/ Cum Red Pri 20p - 62½ 3 4 823No94) BOC Group PLC ADR (1:1) - \$11.08 BOC Group PLC 2.8% Cum 2nd Pri £1 - 40 80C Group PLC 3.5% Cum 2nd Prf £1 - 52

(23No94) BOC Group PLC 12¹4% Uns Ln Stk 2012/17 lastero inc Shs of Com 9tk \$0.50 -\$30.42340 BTP PLC 7.5p(Net) Cnv Cum Red Prf 10p ere Estates PLC 1014% 1st Mtg Deb 178 BTR PLC ADR (4:1) - \$16.17 (23No94) Bampton Hidgs Ld 84% Uns Ln St. 2002/07 - 1931₂ 5‡ (23Na94) rrk of trekend(Governor & Co of) Linits NCP

129 8

Bank of Ireland(Governor & Go of) Units Sik Srs A £1 & £9 Uquidation - £11 a (18No94)
Bank of Ireland(Governor & Co of) Units NCP
Stk SreA Inf1&Inf9 Liquidation - K1112 Banner Homes Group PLC Ord 10p - 1050 Barclaya PLC ADR (4:1) - \$36.9¢ 71a¢ Barclaya Bank PLC 12% Uns Cap in Sik

2010 - £118 ¹2 7 arcievs Bank PLC 16% Uns Cap Ln Sik Bardon Group PLC 7.25p (Net) Cnv Red Prf Berdon Group PLC 11.25p Gum Red Prf Sardon Group res 2005 10p - 98 ¹2 (21No94) Barings PLC 8% Cum 2nd Pri 21 - 88¹4 Barings PLC 8% Cum 2nd Pri 21 - 88¹4 Barings PLC 94% Non-Cum Prf E1 Barnato Exploration Ld Ord R0.01 - 210 30 Bass PLC ADR (2:1) - \$16.62440 \$40 Bass PLC 7444 Uns Ln Stk 92/97 - \$964 Bass Investments PLC 7496 Uns Ln Stk 92/

d-v AS "B" Non Vig Sha NK2.5 retribution of the control of the co iots Co PLC ADR (2:1) - \$17 (22No94) methorpe PLC 7% Une Ln Sik 90/95 - £98

iowthorpe Plat To High (180684) (180684) (190684) (190684) (180684) (190685) (190695 evits to Sub for Ord Brent Walker Group PLC 8.6% 3rd Non-Cum Criv Red 2007/10 £1 - 112 Bridon PLC 101-% Deb Stk 81/96 · 2991₂ (21N694) 9 ster PLC 874% Cum land Paf £1 -Bristol Waller PLC 8¹4 % Cum Ind Prf £1 -105 ¹2 (21 NoS4) Bristol Waller Hidgs PLC Ord £1 - £10.07 Bristol & West Building Society 13¹4 % Pen

Grand vester rauge PLL Card 21 - 174.07
Bristol & West Building Society 134 % Perm
Int Bearing She £1000 - £123 % 42
Britannis Building Society 13% Perm Int
Bossing She £1000 - £118.85 % 96
British Airways PLC ADR (10:1) - 559 % 4 British-American Tobacco Co Ld 5% Com Pr Six 21 - 53 (22No94) British-American Tobacco Co Ld 5% Com Pr Six 21 - 53 (22No94) British-American Tobacco Co Ld 6% 2nd Cum Prt Six 21 - 94 (18No94) British Land Co PLC 101₂% Ofd 1st Mitg Deb Six 2019/24 - 2110 Stitle Petrology Co

m Co PLC 8% Cum 1st Prf £1 - 79¢ British Petroleum Co PLC 8% Cum 2nd Pri 171 - 00 (22/1004) British Steel PLC ADR (10:1) - \$24¹6 ¹2 British Steel PLC 11¹2% Deb Sik 2018 -E1184 (22No84)
British Sugar PLC 104,% Red Deb Stk 2013
- £114.6125 [1]
Srbono Estate PLC 9.50% 1st Ming Deb Stk 2026 - £1014
Bulgin/AF J & Co PLC Ord Ste 5p - 63 (23No84)

er(H.P.)Hidgs PLC 84,% 2nd Cum Prf Burnah PLC 7% Criv Uns Lri Stk 95/97 - £98 8 Burnah Cestrof PLC 6% Cum 2nd Prf £1 -80 (18No94) Castrol PLC 74% Com Red Prf C1 -Burmah Castro 66¹2 8 (23N) 00°2 8 (23N0949) Burton Group PLC 8% Criv Uns Ln Sik 1996/ 2001 - 283

2001 - 283
Butte Mining PLC 10% (Net) Cirv Cum Red
Pt 1994 10p - 2½ ½ (184094)
California Energy Co Inc She of Corn Sik
\$0.0675 - \$10.602679 (22No84)
Cambridge Water Co Corns Ord Sik - 26500
(188064) (18NoS)
Capital & Counties PLC 614% 1st Mitg Deb Six \$3/98 - S32 (23NoS)
Capital & Counties PLC 85% 1st Mitg Deb Six \$207 - 1/1044 (23NoS)
Capital & Counties PLC 85% 1st Mitg Deb Six 2027 - 1/1044 (23NoS)
Cariton Communications PLC ADR (2:1) - \$274 (23NoS)
Cariton Communications PLC 712% Cnv Subord Bds 2007(Reg 25000) - £134 12 (23NoS)

Cheltenhern & Glouceeter Build Soc 114% Perm Int Bearing Sha £50000 - £1132 2201-040

2000/01 - £90 5 (21No94) Coastal Corporation Shs of Com Stk \$0.33 1/ 3 - \$284 (21No94) Coats Patrons PLC 412% Uns Ln Stk 2002/07 Costs Patons PLC 61/4 Uns Ln Stk 2002/07 Coats Viyells, PLC 4.9% Cum Prf £1 - B1 Coten(A) & Co PLC Non.V 'A' Ord 20p -

Commercial Union PLC 832% Cum lard Prf E1 - 98% 8 % Commercial Union PLC 6%% Curn and Prif Commercial Union PLC 63/% Curn and Prif £1 - 100½ § 1 Co-Operative Benk PLC 8.25% Non-Curn Ind Prif £1 - 105 71± (23No64) Contention & C. 65% Curn Prif £1 - 68 71± (23No64)

712 (23No94)
Countailes PLC 6% Cum Red 2nd Prf 21 - 68 (18No94)
Countailes PLC 6¹2% Une Ln Stk 94/96 - 298
Coventry Bulleting PLC 2370 Coventry Building Society 121₈96 Perm Inter-est Bearing Sits £1000 - £1134 Deity Mail & General Trust PLC Ord 50p -£13.1 1374

Delgety PLC 4.85% Cum Prf £1 - 68 Debenhams PLC 7¹4% 2nd Deb 8tk 91/96 -239 (23No94)
Debenharra PLC 74/4 Una Ln Stk 2002/07 - 28334 4

Debarharis PLC 74/4 Uns Ln Six 2002/07 - 237 (22No94)

Denote PLC 8.25% Curn Cnv Red Prf 21 - 108 7 (23No94)

Denote PLC 0rd 10p - 07 (21No94)

Dominion Energy PLC Ord 5p - 11 (18No94)

EMAP PLC 5% Curn Prf 21 - 53 (22No94)

Edipse Blinds PLC Ord 5p - 8½ ½

El Oro Mining&Exploration Co PLC Ord 10p - 533 53 (21No94)

Elys(Minibiodor) PLC Ord 5p - 24.8

(22No94)

SSS 52 (21Nes)4)

Bys(Winnisedon) PLC Ord 25p - 24.8

(22Nes)9

Gress PLC 8.25p(Net) Crv Curr Red Pri 5p - 69.7

English China Clays PLC ADR (21) - 517.3742.9

Ertosson J. M. (Telefonaldisbolage()Ser B(FlogiSK10 - 5K417.284 8.163 .85 8.275 20.052 .685 .818 1.853 2.9, 571 3 .054 ½ 2.551 ¼ .85 4 ¼ ¼ .463 ½ .571 3 .054 ½ 2.551 ¼ .85 4 ¼ ¼ .463 ½ .571 3 .054 ½ .551 ¼ .85 4 ¼ ¼ .463 ½ .571 3 .054 ½ 2.551 ¼ .85 4 ½ ½ 7 .94

Essex and Sutfolk Water PLC 10½ 6b Stk 64/06 - C100½ (1806)9

Estates Property Investment Co Ld 10% 1 st Mg Deb Stk 2011 - E94 (21No9)

Extra Disrey S.C.A. She FRS (Depository Receipts) - 100 100 2 8

Euro Disney S.C.A. She FRS (Depository Roce) S.C.A. She FRS (Depositor

Euroburnel PLC/Euroburnel SA Frich Wat/EPLC & TESA WittoSub forUnita) -Euroburnel PLC/Euroburnel SA Frich (Sicovern Inscribed) - FR87 (23NoS4) Euroburnel PLC/Euroburnel SA Frich Was (Sicovern Corp. Corp. St. Sp. - 240 (21NoS4) (21No94)
First Chicago Corp Com Six \$5 - 228½
(22No94)
First National Finance Corp PLC 716 Cnv
Cum Red Pri Ct - 119 21 (23No94)
Fisona PLC 57½% Uns Ln Six 2004/09 - 272
(23No94)
Retcher Challenge Ld Ord \$N0.50 \$153,5086 (23No94) \$N3,8086 (23N084) Folias Group PLC Ord 5p - 42 Forte PLC 8.1% Uns Ln St. 95/2000 - 597¹2 GION PLC ADR (1:1) - 510¹2 10.18 (18N084) GN Great Nordic Ld Shs DK100 - DK545.35

(23No94) G.T. Chile Growth Fund Ld Ord \$0.01 -231 40 31 40 Seneral Accident PLC 775% Cum ind Prf £1 - 6314 General Accident PLC 875% Cum ind Prf £1 General Sectric Co PLC ADR (1:1) - \$4.45 Gestiner Hidgs PLC Ord Cap 25p - 115 (23%094) Globs & Dandy PLC Ord 10p - 90 Glass Group Ld 64,96 Uns Ln Str 85/95 50p

Gatos Group Ld 94/96 Uns Ln Str. 85/95 Sup - 404/g 21/1694) Gatos Group Ld 74/96 Uns La Str. 85/95 Sup - 49/9 Glymered International PLC 74/96 Cum Prf £1 - 67 (22/1624) Glymered International PLC 104/96 Uns Ln Str. 24/20, - 1/104 Gymred international PLC 104,% Uns Ln 9tk 94/99 - 2100 Goode Durrant PLC 3.5% Cum Pri 50p - 25 6 Goodwin PLC Ord 10p - 36 (18No94) Grand Metropolitan PLC 5% Cum Prf £1 - 51 (22No94) Greenalis Group PLC 8% Cum Prf £1 - 97 Greenalis Group PLC 1112% Deb Sit £014 -

£120% reenzilis Group PLC 7% Cav Subord Eds Greenatis Group PLC 7% Cnn Subord Eds 2003 (Reg) - £102½ 3 2 ¾ Guinneas PLC ADR £:1) - \$34.45¢ Guinneas PLC ADR £:1) - \$34.45¢ Guinneas Plight Global Strategy Fd Ptg Red Pri \$0.01(Global Bond Fund) - £21.42780¢ Guinneas Flight Int Acc Fund Ld Ptg Red Pri \$0.01(Daulscharmark Money Fd) - DM91.08 (23NG9¢) HSBC Hdga PLC 11.69% Subord Bds 2002 (Br £Ver) - £110½¢ Hairfax, Building Socrety 5¹x % Perm Int Bear-ing She (\$0000 · \$85¹4 (22No94) Hairfax Building Society 12⁴4 Perm Int Bearing She £1 (Reg £5000f) - £115% (22No94) Bigh Holdings & C Cool So

on PLC Ord 25p - 324 2 5 8 8 30 1 Hardys & Hansons PLC Ord 5p - 242 Hartispools Water Co Ord Stk - £1750 850

lastement Estates PLL 1974 To 198 May 2000 Sib. 98/2003 - £102 4, (23No94) iolmes Protection Group Inc Shs of Com Sib Hapkinsons Group PLC 5.25% Cum Prf £1 lousing Finance Corporation Ld 11¹2% Deb Sth. 2016 - £113¹4 ¹2 (22NoS4)

Hypo Foreign&Collegenre Asset Fd LdPtgRedPrf \$0.05 (DM Bonds) -DM12.434 (18No94) IMI PLC 512% Une Ln Sik 2001/06 - 669 an Fund NV Ord FLO.01 - \$16% 17.2 17¹4 17³6 (22Nc94) seland Group PLC Cnv Cum Red Prf 20p -

al Control Services Gro PLCOrd 10p 122 3 Inti Stock Exchange of UK&Rep of IrLd 7¹4% Mtg Deb Stk 90/85 - 239 4 (22)ko94) Irleh Life PLC Ord 1/20,10 - 1.84 1.85 p 182

lg Jardine Mattheann Hidgs Ld Ord \$0.25 (Hong Kong Register) - £4.55 \$4:54.025942 .274915 \(\frac{1}{2} \) 570861 .83296 Jardine Strategic Hidgs Ld Ord \$0.05 (Barmuda Register) - \$7:27 (18Ns94) Jardine Strategic Hidgs Ld Ord \$0.05 (Hong Kong Register) - \$1:23.85 4.027138 .1001 \(\frac{1}{2} \) .3805 son & Pirth Brown PLC 11 05% Cum Pri £1 - 85 8 (23No94)

Johnson Group Cleaners PLC 7.5p (Net) Chv Cum Red Pri 10p - 125 6 (23No94) Johnson Group Cleaners PLC 9% Com Pri 51 - 60 (23No94) Johnson Chroma PLC 9% Com Pri n Group PLC 10% Cum Prf E1 - 95 5 ichnidon Caroup Food (21No94)
Jupiter Tyndall Int Fund Ld Distribution Shares 1p - 457 (18No94)
Korea-Europe Fund Ld She(IDR to Br) 30.10
(Cpn 71 - B81, 41871) 4250 4375
Kvitsmer AS. Free A Shs Nk12.50 - No287 701₂ 1 1₂ 2 28 1₄ 3 4 adbroke Group PLC ADR (1:1) - \$2.52 2.53

2 55 (23No94)

Land Securities PLC 8¹4, ¹5 1st Mitg Deb Stk
93/98 - 592 (18No94)

Land Securities PLC 8¹5 1st Mitg Deb Stx 96/
2001 - £100¹4, (22No94)

LSMO PLC 10¹5/8 0eb Stx 2009 - £104¹4/9

Lebows Plathrum Mines Ld Ord R0.01 - 78 percusaria eeds & Holbeck Building Society 13¹g% Perm Int Bearing She £1000 · £123 ¹2 ¹4 eeds Permenert Building Society 13¹g% Perm Int Bearing £50000 · £128 ¹6

£1 - 57 (18No94) Lionheart PLC Crtv Cum Red Pri 20p - 64 (18No94) national Group PLC ADR (5.1) -

London Securities PLC Ord 1p 12 Lontho PLC ADR (1:1) - \$2.4 Lookers PLC 8% City Curn Red Pri E1 107% (22No94) MEPC PLC 9%% 1st Mtg Deb Stk 97/2002 2991₂ (18No94) MEPC PLC 101₄% 1st Mtg Deb Stk 2024 -MEPC PLC 8% Uns Ln Stk 2000/05 - 592

MEPC PLC 8% Une Ln Sik 2000/05 - 592 (23No94)
McCarthy & Stone PLC 8.75% Cum Red Prf 2003 \$1 - 89 91
McCarthy & Stone PLC 7% Cnv Uns Ln Sik 99/04 - 988 (22No94)
McInemery Properties PLC 7% Cnv Uns Ln Sik 99/04 - 988 (22No94)
McInemery Properties PLC Cap 20p - 188
Manderfn Oriental International Ld Ord \$0.05 (Bermuda Reg) - \$180.05 (23No94)
Manderfn Criental International Ld Ord \$0.05 (Hong Kong Reg) - \$180.05 (23No94)
Manderfn Criental International Ld Ord \$0.05 (Hong Kong Reg) - \$0.725
Marks & Spenory PLC ADR (6:1) - 225.2128 (21No94)
Mercher PLC ADR (4:1) - \$101/40
Mercher Retail Group PLC 81/4% Cnv Uns Ln Sik 99/04 - 598 (23No94)
Mercyr International Inv Trust Ld Plg Red Prf 1p (Reserve Fund) - 590.4881 (22No94)
Mercyr Docks & Hurbour Co 61/4% Red Deb Sik 94/97 - 134 (22No94)
Mercey Docks & Histour Co 61/4% Red Deb Sik 94/97 - 134 (22No94)
Mercey Docks & Histour Co 61/4% Red Deb Sik 94/97 - 134 (22No94)
Mercey Docks & Histour Co 61/4% Red Deb Sik 94/97 - 134 (22No94)
Mercey Docks & Histour Co 61/4% Red Deb Sik 94/99 - 637/2 (22No94)
Mercey Docks & Histour Co 61/4% Red Deb Sik 94/99 - 637/2 (22No94)
Mercey Docks & Histour Co 61/4% Red Deb Sik 94/99 - 637/2 (22No94)
Mercey Docks & Histour Co 61/4% Red Deb Sik 94/99 - 637/2 (22No94)
Mercey Docks & Histour Co 61/4% Red Deb Sik 94/99 - 637/2 (22No94)
Mercey Docks & Histour Co 61/4% Red Deb Sik 94/99 - 637/2 (22No94)
Mercey Docks & Histour Co 61/4% Red Deb Sik 94/99 - 637/2 (22No94)
Mercey Docks & Histour Co 61/4% Red Deb Sik 94/99 - 637/2 (22No94)
Mercey Docks & Histour Co 61/4% Red Deb Sik 94/99 - 637/2 (22No94) Stk = £36 (23No94) Mhangura Copper Mines Ld Ord Stk \$21 - 3

Mid Kent Holdings PLC Warrants to sub for Idland Bank PLC 14% Subord Una La Sik 2002/07 - \$123,076 ¹8 Aucklow(A.S. J.)Group PLC 7% Cum Prf \$1 -NEC Finance PLC 135/14 Deb Stk 2018 -

K142349 [39]
NFC PLC 73/96 Cnv Bda 2007(Fleg) - E92
National Medical Enterprises Inc Sha of Com Six 50.05 - \$144, (22No94)
National Power PLC ADR (10:1) - \$79.34 793g
National Westminster Bank PLC Non-Curr Ptf Ser A \$25 - \$255g (18No34)
National Westminster Bank PLC 95 Non-Curr Stig Ptf Sera "A" £1 - 104½ 5 3, National Westminster Bank PLC 123%
Subord Una Ln Six 2004 - £1187g ©
Newceste Bulding Society 1226W Porm Interest Bearing Stre £1000 - £1153g
[23No34]

(23No94)
News International PLC 4.9% (Finity 7%) 1st
Cum Prf £1 - 67½
Nows International PLC 8% 2nd Cum Prf £1 Cum Prif Et - 67-2

News Internetional PLC 8% 2nd Cum Prif Et - 70 (22No94)

Next PLC 7% "A" Cum Prif Et - 69 (21No94)

Northchart Investments Ld R 0.10 - 2D.12

Northern Foods PLC 8-4% Cnv Subord 8ds 2008 (Reg) - 587 *2 (22No94)

Northern Foods PLC 6-4% Cnv Subord 8ds 2008 (Reg) - 587 *2 (22No94)

Northern Foods PLC 6-4% Cnv Subord 8ds 2008 (Ref 2 Var) - 285 (21No94)

Northern Roads Pulcing Society 12*-3% Perm Int Boering Sha £1000 - £117*2 8-2

Critisto & Quebos Pallwey Co 5% Perm Deb Skight 6d by CP, 1 - 5504

Orbis PLC Ord 10p - 23 (22No94)

Pacific Ges & Beotric Co Sha of Cum Sik \$6 - 522*3 *2 (22No94)

Parther Securities PLC Wha to sub for Ord - 17 (23No94)

- \$22% to 2224054)

Parther Securities PLC Was to sub for Ord - 17 (234059)

Parthard Group PLC Ord 25p - 160

Port Heigs PLC 10% Cum Prt 50p - 52 (224059)

Peel Heigs PLC 525% (Net) Cnv Cum Non-Vig Prt 21 - 36 (184059)

Perfensier & Oriental Steam New Co 5% Cum Prt 58c - 450 (214064)

Pentos PLC 412% Cum Prt 21 - 70 (184069)

Perfens Foods PLC 59(Net) Cum Cnv Red Prt 10p - 621/2 10p - 22¹2
Petrofine S.A. Ord Shie NPV (Er in Denom 1,5
å 10) - 879303. 19
Pittands PLC 9¹2% Cum Pri 21 - 55 (224084)
Portsmouth&Sunderland NewspapenPLC11.5% 2nd Cum Pri 21 - 125
(23No34)

(23No94)
Poligidenerust Platinums Ld Ord R0.025 5156 356
PowerGen P.C. ADR (10:1) - \$87.1
Premier Heath Group P.C. Ord 1p - 14
RPH Ld 5.6% (Finly 8%) Cum Prif £1 - 75
(18No94) (18Nc94) RPH Ld 4¹2% Uns Ln Stk 2004/09 - £33

(22No94) RPH Ld 916 Uns Ln Stk 99/2004 - £93 RTZ Corporation PLC 3.5% "B" Cum Pri 172 Corporation PLC 3.5% "B" Cum Pff £1(Br) (Con 85) - 52 4 (23No84) Recal Bectronics PLC ADR (2:1) - \$7.05 E1(07) (4,576 tol) - 32 - 34 ANNOTATION (2010) - 87.05 (22No64) - 84 Colombia PLC ADR (2:1) - \$13.2 (22No64) - 86 Colombia PLC 5% Cum Prf £1 - 55

Receit & Colman PLC 5% Cum Prf £1 - 56
[21NoS-9]
Rest international PLC 3.85% (Fmty 5-1₂%)
Cum Red Prf £1 - 55 (21NoS-9)
Retail Corporation PLC 4.025% (Fmty 5-1₂%)
Cum And Prf £1 - 54 (22NoS-9)
Retail Corporation PLC 4.55% (Fmty 8-1₂%)
Cum 3rd Prf £1 - 61 (23NoS-9)
Rolls-Royce Power Engineering PLC 5.375%
Cum Prf £1 - 90-2 (18NoS-9)
Rolls-Royce Power Engineering PLC 11%
Cum Prf £1 - 120-2 (23NoS-9)
Rogner PLC 111-2% Cum Prf £1 - 115
(23NoS-9)
Royal trausance Holdings PLC 74-16 Cry

(23No94) Royal Insurance Holdings PLC 74,56 Cnv Subord Bds 2007 (Br £ Var) - £1084 Pugby Group PLC 6% Uns Ln Sik 93/98 -286 g1No94) SCEcorp Shs of Cam Sik at NPV - \$13-7 (22No94) Sastchi & Sastchi Co PLC ADR (\$11) - \$7.53 (22No94) Sainsbury(J) PLC ADR (1:1) - 36¹/₂ (21No94) Sainsbury(J) PLC 8% Ind Une Ln Stx - 582 (21No94) ronic Hidge PLC 7.25p (Net) Cnv Cum

ECTIONOM
Scanfornic Hildge PLC 7.25p (Net) Cnv Cum
Red Prf 20p - 40 (23NoSe)
Scholl PLC 51-X Gnv Cum Red Prf 2008/11
21 - 72
Schrodess PLC 61-X Gnv Cum Red Prf 2008/11
21 - 72
Schrodess PLC 61-X Gnv Cum Red Prf 2008/11
21 - 72
Schrodess PLC 61-X Gnv Cum Red Prf 2008/11
30 Mitg Ceb Six 2018 - C104.05 (23NoSe)
Severn River Crossing PLC 69 Index-Linked
Deb Six 2012 (8.34435) - C16-X
Smanghal Fund (Caymor) Ld Ptpg Snv SL01
- 391-X (22NoSe)
Shell Transports Trading Co PLC Ord Snv (87)
25p (Cpn 183) - 683
Shidd Group PLC Ord 5p - 5
Snoprits Finance (INA PLC 7.875p)Net) Cum
Red Prf Snv 2009 - 701-Z 11-Z
Sidasv Group PLC 7/27 W Une Ln Six 2003/08
- 730 (22NoSe)
Signat Group PLC ADR (3:1) - 20.57
(18NoSe)
Sispon Bullding Society 12-X W Perm Int

(18kos4) Skipton Building Society 12% % Perm Int Bearing She £1000 - £118 ½ 9 Smith New Court PLC 12% Subord Uns Ln Stit 2001 - £108½ (23No84)

Smith (W.H.) Group PLC 51/8% Red Uns Ln Stk - 251/2 (22No94) cham PLC ADR (5:1) \$32,760

(5:1) - £19.847 \$ 30% \$.98568 \$ outh Stationdshire Water PLC 94% Red Deb Staffordshire Water PLC 9% Red Deb Staffordshire Water PLC 9% Red Duth Staffordshire Water PLC 4% Perm Deb Sik - 240½ (21No94) Sag Furntura Hidgs PLC 11% Cum Pri £1 -98 (22No94)

Standard Chestered PLC 12*9% Subord Uns Ln St. 2002/07 - £113*2 5*4 (23No94) Severt Jajohnsis PLC Ord Std 20p - £7 (23No94) Sutcliffe Speakman PLC 91₂% Red Cum Prf E1 - 92 (22No94) Swire(John) & Sons Ld 6.3% Cum Prf E1 -100 100 Symonds Engineering PLC Ord Sp - 33

T & N PLC 114% Mg Deb Stk 95/2000 -2102 (18No94)
TSB Git Fund Ld Ptg Red Ptf 1p(Class "B"
Ptg Red Ptf - 100.76 (22No94)
TSB Group PLC 10% % Subord Ln Stk 2008 - 5108₁5 8 ore Inv Fund Ld Ptg Red Prf 1p(UK Equity Class) - 308.21 (16No94) T Group PLC 10.875% Criv Quin Red Pri

129 (23No94)
Taylor Woodrow PLC 91/2% 1st Mtg Deb Stk
2014 - 1291/2, 255 7/2 ft 100 (23No94)
Tennessee Gas Pipeline Co 10% Stig S Criv
Uns Lin Stk 91/85 - 2120 Tesco PLC ADR (1:1) - \$3.92 44 (23No84) Tesco PLC 4% Une Deep Disc Ln Sik 2006

That Prime Fund Ld Ptg Red Prf \$0.01 -\$15.5142 15.5015 (22No94) THORN EMI PLC ADR (1:1) - £9.72 (23No94) Tops Estates PLC Wis to sub for Ord - 17 20 iger House PLC 7% Una Deb Stk £1 retaiger House PLC 8% Uns Ln Stk 94/59 -C91 (23No94) CS1 (23No9-4)
Tratalgar House PLC 9½% Uns Ln Sik 2000/
05 - E92½ (21No9-4)
Tratalgar House PLC 10½% Uns Ln Sik
2001/06 - E97½ (23No9-6)
Transatiantic Holdings PLC 8 8% Cnv Prf £1
- 50 (23No8-4) - 90 (23No94)
ransport Development Group PLC 94/6
Uns Ln Stk 95/2000 - £95 (18No94)
reforest SBA Printers Ld 6% Non-Cum Pri

Tretonest Saik Primiter's Lid 576 Noon-Carin Prif C1 - 56 (22NoS4) Unigate PLC ADR (1:1) - \$5.85 (21NoS4) Unigate PLC 576 Unis Lin Sit \$1/36 - 50212 Unigate PLC 81/26 Unis Lin Sit \$1/36 - 502 Uniterver PLC ADR (4:1) - \$1123₈ (21NoS4) Union International Co PLC 8% Curn Prif 38 C1 - 80 nion international Co PLC 7% Cum Prf Stk £1 - 59 s Corp Corn Stk \$0.01 - \$9¹2 (23No94) Plantations Airice Ld Ord R0.50 -

£0.21 0.21 (21No94) Jaux Group PLC 10,75% Deb Stk 2018 -£1147, (23No94) Jokes PLC 8% Cum(Tax Free To 30p)Pri ociatione Group PLC ADR(10:1) - \$30¹2 ¹4 ¹2 Veddington(John) PLC 4.2% Com Pri 21 -60 (22Nos4) 60 (22NoS4) Vaddington(John) PLC 5.8% Cum Pyf £1 -75 (22NoS4)

75 (2009) PLC 5.5% Cum Prf £1 - 75 (2009) Prf 10 - 75 (2009) Prf 10p - 138 40 Prf 10p - 130 (2009) Prf 10p - 130 (2009) Prf 10p - 130 (2009) Prf 25p - 130 (2009) PLC 0rd 5p - 29 (2009) Prf 25p - 87 (40) PLC 0rd 5p - 29 (2009) Prf £1 - 87 (40) Varburg (S.Q.) Group PLC Criv Dtd 25p -385 5 (23No94) 385 5 (23No34)
Watmoughth(Holp) PLC 84 % Cum Red Pri
2006 21 - 94 ½ (23No94)
Welcome PLC ADR (1:1) - \$10 ½
Nelsome PLC ADR (1:1) - \$10 ½
Nels Pargo & Company Shs of Cum Sti. \$5 \$142 ¼ 3 ¼ ½ ¼ (21No94)
Wembley PLC 60Net)Cnv Cum Red Pri 1989 £1 · 57

ad PLC 6% 3rd Cum Prf Stk £1 - 61 (22No94) Whithread PLC 7³4% Uns Ln Stk 95/99 hitbread PLC 74% Uns Ln Stk 96/2000 ward PLC 1012% Uns Ln 9tk 2000/05 -Whitecroft PLC 5.1% Cum Prf £1 - 55 (22No94)

Widney PLC 8,79% Criv Cum Red 2nd Prf 2090 St - 87 (21No94) Williams Hidge PLC 101₉% Cum Prf St - 118

(21No94) Wills Corroon Group PLC ADR (5:1) - \$11¹2 era Group PLC 712% Com Prf Stk 239094) 855 Group PLC 6% Cum 2nd Pd Stit E1 - 50 (15No94) York Waterworks PLC Non-Vig "A" Ord 10p -295 (21No94) York Waterworks PLC Warrante to euto for

contables-Tyne Tees TV Hidge PLC Wile to sub for Ord - 230 Ord - 200 (22 Zambia Consolidated Copper Mines Lo"B"

Investment Trusts

Ballie Official Japan Trust PLC Was to Sub Ord Shs - 75 5 8 80 5 (23NoR4) Ord Sits - 75 5 8 80 5 (23 No. 14)
Baillie Gifford Sitin Nippon PLC Warranta to sub for Ord - 102 (22 No. 14)
Baillie Gifford Sitin Nippon PLC Warranta to ach for Ord 2005 - 80 9 70 (23 No. 14)
Bankars Investment Trust PLC 10¹/₂% Deb Sit 2016 - 2111¹/₂ (22 No. 14)
British Assets Trust PLC Equities Index ULS 2005 - 10 1 - 1486 Estitah Asseta Trust PLC Equities Index ULS 2005 10p - 149¹2 British Emples Sec & General Trust 10⁵2⁵⁴ Deb Siz 2011 - 2107 Capital Gearing Trust PLC Ord 25p - 450 8 60 23No94)

ou parkets
China Investment & Development Liched
Pop Pri 50.01 - \$11 11 (18No#5)
Clemente Korea Emerging Growth FundShs
\$10 (Reg Line) - \$14 (22No#4)
Dama Fund Trust PLC Whs to Sub-

Dama Investment Trust PLC Wits to Subscribe for 1 inc & 1 Cap - 51 (22No94)
Fidelity European Velables PLC Carloty United Units Ln Stit 2001 - 137 (18No94)
Finsbury Smeller Cor's Trust PLC Zero Div Pri 25p - 184 ½ ½
Gartmore Shitch Inc & Goth Tet PLCZero Dividend Pri 10p - 98 ¼
Gartmore Shitch Inc & Goth Tet PLCZero Dividend Pri 10p - 88 ¼
Gartmore Velue Investments PLC 12.94%
Deb Stit 1995 - E100 (21No94)
HTR Japoneses Streiber Co's Trust PLCOrd 25p - 100 1 2 ½ Fledgeling Jupan Ld Warrants to sub for Ord - 450

izard Select investment Trust Ld Ptg Red Pri 0.1p Global Active Fund - £13.15 13.19 (18NoS4) spard Select investment Trust Ld Pig Red Prf 0.1p U.K. Active Fund - £14% 14.29 (18No94) grand Select Investment Trust Ld Ptg Red Pri 0.1p U.K. Uquid Assets Fand - 210\$ podon & St Universe Investment PUSOrd

59 - 157 ¹2 London & St Lessence Investment PLC5% Cum Prf £1 - 51 (21No84) MorganGrenfell attinAmerCo's Tet PLCWs to sub for Ord - 57 (22No84) New Guernsey Securities Trust Ld Ord 25p -

102 (23No94)
New Trrognorion Trust(1983) PLC 12-5%
Deb Str. 2008 - Cit 77 (18No94)
Parious French investment Trust PLCSers "A"
Warrants to sub for Ord - 19 (28No94)
Paribas French investment Trust PLCSers
"9" Warrants to sub for Ord - 16 (18No94)
Scheder Korsa Fund PLC Was to Sub for
Ord Ed - 57 Socitish Investment Trust PLC 4.55% Cum
"A" Prf Str. 594
Socitish National Trust PLC 6% Cum Prf £1 70 £1No94)
Socitish National Trust PLC 10% Deb Str.
2011 - £104% (22No94)
Skirne High-Yakfung Smitr Co's TetWis to
Sub for Ord - 85
Subven Investment Trust PLC Revised Warent Trust PLC 4.56% Ours

Sphere investment Trust PLC Revised War-runts to sub for Ord - 3 (22)4094) TR City of London Trust PLC 11¹/₂% Deb Stk 2014 - £119¹/₈ TH Fer East Income Trust PLC 7% Deb Sik 97/2002 - 585 (22NoB4) 97/2002 - E85 (22NoB4)
Tercyte Bar Irrestment Trust PLC 7% Cum Prf Sit 6" - 72 (16NoB4)
Trognoston Trust PLC 12 5/18% Dub Sit 2010 - 5/120½ (22NoB4) Updown kweetment Co PLC Ord 25p - Sis

(21No64)
Wigmore Property Investment Tet PLCWis to Sub for Ord - 25 (22No64) Witen Investment Co PLC 8% Deb Stk 96/99 - 997 (21NoP4) Witen Investment Co PLC 91/2% Deb Stk 2018 - 9941; 51/8 1/2

USM Appendix Edos PLC Ord 10p - 300 20 (23NoS4) FBO Holdings PLC Ord (25p - 127.7 Gabe Main PLC Ord 25p - 427 Midland & Scotish Resources PLC Ord 10p

Total Systems PLC Ord 5p - 38 (21No94) Rule 4.2(a)

AMCO Corp Inc Ord 10p - 20,78 (21No94) Advanced Media Systems PLC Ord 21 -African Gold PLC Ord 1p - 20.0825 (22No94) At England Lawn Teamle Ground Ld Deb 96 2000 22000E4SS0Pd-15/5/96 - 26900@ Ann Street Brewery Co Ld Ord 21 - 23.86 Arms Street Brawery Co Ld Cror Red 2nd Pri 21 - 28.66 (22No94) Amos Village Ld Ord 18p - 20.29 (18No94) Assensi Football Club PLC Ord 21 - 2500

Auton Villa Football Club PLC Ord 25(1 vote) - £96 296
Azure Group PLC Ord 10p - 11,2364
Bendays Investment Fund(CJ) Global
Resources Fund - 11,6195 (18No94)
Bendays Investment Fund(CJ) Sterling Bd Fd - 111,4169 (2374054) Beyford & Co PLC 11.5% Cum Pri 21 - 22,61 0.25 (234054) Best Peninsular Homes PLC Ord 25p - 20,42 (1384064) uth Water PLC Ord 21 - 27 cote Holdings PLC Ord 5p - 20.47

(23No94) latiness European Sond Pand Pig Red Pif 1p - 99.2750 em PLC Ord 1p - 20-1 10 Trust PLC Ord 25p - 20.24 (21No94) Gertines PLC Ord 25p - 20.37 dens PLC Ord 25p - £0.37

egement PLC Ord 10p - 93 (22No94)
Delicative hans PLC 10p - 20.2 (21No94)
Dert Valley Unit Relivey Ld Ord 21 - 22.5
(21No94) on Hidge PLC Ord 10p - 2512 5.8 (22No94)
Dougles Gas PLC Ord 25p - £1¹4 (22No94)
Ellot (EL) PLC 7.6% (Not) Cav Curn Red Pri everton Football Club Co-Ld Ord Stk E1 -92400 (18No94) Firecreat Group PLC Ord 10p - 2031

armscan International Group PLC Ord 1p -\$0.63 0.6 Furtong Homes Group PLC Ord 10p - £1.04 (21No94) iale (George) & Co Ld Ord 21 - 28²2 (18No94) (18Ne94) Gender Holdings PLC Ord 1p - 100.06 Golden Rose Communications PLC Ord 1p -Geoduste Appointments Face (23No94) Guerriery Ges Light Co Ld Ord 10p - £1 1.01 (22No94) Guerriery Press Co Ld Ord 10p - £1.94 1.95 te Appointments PLC Ord 1p - 20-13

(23No94) seex Dedicated Insurance Fund Ord SOp -S'Anvil Browery Ld 'E' Ord 21 - 20.7 Hydro Hotel Eastbourne PLC Ord £1 - 54.4 (1884-608) 94) cup PLC Ord 10p - 24.05 4.08 20.785 (18No94) smings Bros Ld Ord 25p - £2.08**4** Jernings Bros Ld Ord 250 - 12-1899
Just Group PLC Ord 1p - 20.0275 (18No64)
(Gelewort Bermonfing Pund Man Int Aco Units
Bond Fd - £14.832
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- £14.07 (2224094)
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Court For - £2 6520

Lachment Group PLC Ond Sp - 20.36 Lachment Group PLC Ond Sp - 20.36 Lachder's Stores Ld Ond St - 226 (22Nos4 Le Piche's Stores Ld Ond St - 22.97 (22)(d94) elstratime inns PLC Ord 5p - 20.07 od PC & Athletic Grounds PLCOrd 65 -

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Open Marcha PLC Ord Sp - 2035 Pacific Media PLC Ont 1p-13g Pacific Media PLG 11% Com Partition 20148 Part Andern Resperses PLC Ord to 20.0025 (18/1694) Park Lane Hotel PLC 6.0% Can Pit 27 pricets - £1.051615 potual James) Offshore Emerging Con-

Perpolatification Offices For Guilling Grade Fd - 53,12222 Perpetual/lesser/ Officions (IX Growth 2 82.83 (17No.04) 2 1,78083 1,854(33) Rangers Footbal Club PLC On 164 - 10 es Scottish Pride Hickor PCC Ord 100 - 200 Switco Hotel Ld Ord 21 - 23.85 (22

Shaphard Nearne Ltl. "A" Ood 21 - 26.3 (23No9-4) Southern Newspapers PLC Ord 21 - 26.38 Southern Vecto PLO Ord 10p - 2036 Surrey Free keys Ord 21 - 20.42 (23No94) Threetes(Denie)& Co PLC Ord 25p - 22.7 (22No94)

Titagbur PLC Ord Sp - 20.05 (29Note) Unicom Issue PLC Old 250 - 20.67-(21NoBQ marks Of C Cort So - 60 Ct Wachworth & Co State Cum Prf 21 - 21.01

derburn Securities PLC Wits to sub for Winchester Musi Madia PLC Ord 50 - 20.72 oung Group-PLC Old 10p - 80.0154 RULE 21 (a)(v) rgains mericed in securities (ling within Rule 2.1 (a)(i)) who pricipal mericet is outside th UK and Piepublic of Ireland .

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FINANCIAL TIMES

BIOTECHNOLOGY - A Revolution in the Making?

London - 13 & 14 December 1994

This high-level meeting will review current developments in biotechnology and assess future trends; consider regulatory issues and discuss the challenges of raising the finance needed to exploit fully the sector's potential.

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- · The Clinton Healthcare Reforms and the US Biotechnology Industry
- The Government's Role in Fostering Biotechnology
- Is a Funding Crisis Imminent? · The Problem of Patents

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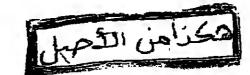
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LONDON STOCK EXCHANGE

Ghost of Christmas Past hovers over UK market

By Peter John

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Share traders in London held their fire for much of yesterday as they awaited next week's political deveiopments. As a result, the traditional "Friday feeling" contained more than its usual quota of torpor.

But recovery on Wall Street and some bullish comments from one of the UK's leading securities houses were enough to raise the ghost of Christmas Past

From being 22 points down at one stage the FT-SE 100 closed only 3.1 lower at 3,033.5. However, that still reflected a fall of almost 100 points on the week. In tandem, the secondline stocks represented by the FT-SE mid 250 Index ended the day down 0.9 at 3,480.3.

With the US markets closed on Thursday and thus offering no direction, the first part of the day

was soggy. The FT-SE 100 opened more than seven points down as few investors were prepared to commit themselves ahead of the Tory vote on the European finance bill scheduled for Monday - a vote of confidence in the government - and the Budget on Tuesday. What many saw as the "dead cat" bounce of the previous day unwound itself.

Much of the sarly activity reflected so-called bed and breakfast deals. These large tax-related trades have been evident in the run-up to the Budget, fuelled by fears that the Chancellor may end a practice many see as nothing more than a

The market hit a low of 3,014 as economists examined the latest survey of economic trends published by the Confederation of British Industry.

Although the survey argued that growth would slow because of increased taxes, it recorded an increase in manufacturers expecting domestic price increases and revived rate rise worries.

Then, Wall Street opened strongly leading to recovery in the bond markets and dragging the stock market higher. Footsle futures also moved from a small discount to the cash market to a small premium. By the time London closed, Wall Street was showing a 30-point gain. Business also picked up late in the day with turnover reaching 587.6m shares against 577.1m on

tomer or retail husiness was not

Thursday. Nevertheless, much of it represented marketmakers tweaking their books and genuine cus-

business on Thursday stood at

Another element nudging equities forward was a bullish economic forecast from S.G. Warburg. The securities house raised its estimate for growth in 1995 to 4.5 per cent from 3.8 per cent previously.

The figure is at the top of the range of economic forecasts and. while it might appear to herald interest rate palpitations, it was combined with an argument that inflation will remain comparatively low. Coming on the heels of 6 change of heart from UBS earlier in the week the review suggested that pre-Christmas cheer for the London market might be making an appear-

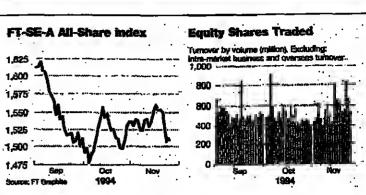
Mr Ian Harnett, economist with Societe Generale Strauss Turnbull.

expected to be significant. Retail commented: "Just before the Budget last year the market stood at 3,067 and our forecast of 3,250 looked demanding. But hy the end of Christmas the Footsie had rallied

to 3,418."

A great deal will depend on the government's Public Sector Borrowing Requirement which will be revealed during the Budget. If that is substantially reduced it could prompt an investment rush. And if growth is the buzz word then equities could benefit at the expense of government bonds.

Market features were scarce FT although the acknowledgment by the Halifax Building Society that it was in talks with Leeds Permanent shook up the banking sector. And expectation continued that GEC would make an increased bid for the submarine maker VSEL



Kev Indicators

indices and ratios			FT-SE 100
FT-SE Mid 250	3480.3	-0.9	Closing Index
FT-SE-A 350	1522.7	-1.3	Change over
FT-SE-A All-Share	1509.03	-1.25	Nov 24
FT-SE-A All-Share yield	4.05	(4.04)	Nov 23
FT Ordinary Index	2323.3	-3.6	Nov 22
FT-SE-A Non Fins p/e	18.27	(12.26)	Nov 21
FT-SE 100 Fut Dec	3035.0	+1.0	High*
10 yr Gilt yield	a.50	(8.48)	LOW"
Long git/equity yld ratio:	2.13	(2.13)	"Intra-day high

ex for Nov 25 3033.5 r week _____-97.5 3036.6 3027.5 3078.7 .3121.0 ..3010.1 (2.13) Intra-day high and low for week

TRADING VOLUME



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FT-SE 100 FT-SE Mid 2500 FT-SE Mid 250 on the Transis® FT-SE A 3500 FT-SE SamelCop or the Transis

EQUITY FUTURES AND OPTIONS TRADING

Stock index futures moved narrowty in low trading volume, turning modest losses into a small improvement after the early upturn on Wall Street. writes Jeffrey Brown. The FT-SE 100 December

contract was 3036 when pit trading came to an end, up two points for a two-day gain

3475.0

-5.0

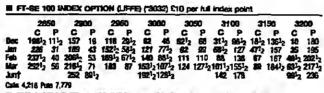
of 11 points. On the week the contract was a net 104 points lower. The premium to the cash market was two points or five points under fair value. Volume was again low with 6,847 contracts traded against

trading two po	ct was 30 g came to pints for a 100 NADEX	an end, two-day	up gain	7,015 on Thursday. Stock option volume was 20,975 lots down from 26,574. Per tul index point (APT)									
	Open	Sett price	Change	High	Low	Est vol	Open Int.						
Dec	3027.0	3035.0	+1.0	3047.0	3009.0	7729	50324						
Mar	3045.5	3049.5	+1.G	3045.5	3027.5	847	9828						
Jun		3071.0	+1.0			0	145						
■ FT-88	MID 250 R	DEX FUTUR	ES (LIFFE	£10 per f	uil Index po	int							

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Dec	3,475.0			
ul open interest	figures are for pre-	Acus day. t	Eusci	volume shown.



EURO STYLE FT-SE 100 INDEX OPTION (LIFFE) £10 per kill index point 2875 2025 2878 3025 3078 3125 3175 3225 173 13¹2 132¹2 23 96 38 88 56 42¹2 82¹2 25 114¹2 13 152¹2 6¹2 152¹2 280¹2 34 164 47 131 64 183 85¹2 79 110¹2 57 138 41 171¹2 30 210¹2 181 54¹2 124 96 77 147¹2 44¹2 134¹ 194 72 134 110 87 161 52¹2 224¹2 230¹2 97¹2 180²1 136 132 184 82 241 III EURO STYLE FT-SE MID 250 INDEX OPTION (OMLX) \$10 per full index point

3460 3450 3500 3550 3600 3650 3700 3750 84.9 38.5 57.7 62.2 37.1 91.2 Calls O Pats O Settlement prices and volumes are taken at 4,30pm.

FT-SE-A INDICES - LEADERS & LAGGARDS



·	e In	dices										77	90 300			The L	IK Se	nes
	Day's charts	Nov 24	Nov 23	Nov 22		5hr. 19175			Ad adj	Total Botani	Hage		lo-		Hig	Since Con	opinios -	
5	-0.1	3036.6	3027.5	3078.7	3111.4	4.24	7.35	16.29	116.23	1153.01	350.3	2/2	2876.8	24/5	2523.3	2/2/94	104.3	23/7/84
3		3481.2	3485.2	3545.3	3454.9	2.63	5.91	20.37	122.22	1304.42	4152.3	3/2	3361.4	27Æ	4152,5	3294	1378.4	21/1/85
i	-01	3483.5	3493.9	3548.0	3454.2	3.79	6.40	16.56	127.35	1302.27	4180.7	197	3362.4	27/5	4161,7	19/1/94	1774.3	21/1/65
,	-0.1	1524.0	1521.2	1546.7	1550.5	4.10	6.95	17.97	57.25	1184.15	17783	2/2	161	246	1776.2	2/2/94	954,5	14/1/08
1		1763.35	1782.75	1782.18	1734.96	3.37	5.01	25.33	52.08	1373.73	2004.95	4/2	1762,70	25/11	2004.00	47/94	1351.79	31/12/92
5	-01	1733.42	1733.63	1750.50	1711.14	3.57	5.57	Z3.12	51.85	1354.40	2054.72	472	1732.45	25/11	2080.72	4/2/94	1361.70	31/12/02
3				1532.32	1533.50	4.05	6.81	17.48	55.91	1193.59	1764.11	2/2	145.6	246	1764.11	27254	\$1.92	13/12/14

FT-SE Actuaries	All-Share		Your	Div.	Earn.	P/E	Md act.	Total	
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8 MINERAL EXTRACTION(18)	2655.27	+0.7	2651,26	2633.50	2667.10	2356.40	3.58	5.15	24.55	89.83	1071.68	2802.01	5/9	2435.35	31/3	2502_01	5/9/94	354.20	19/2/
Extractive tradustries(4)	3762.18		3753.45				3.41	5.45	20.67	98.62	1035.14	4107.58	2/2	3665.88	12/7	4147.55		1000.00	31/124
5 Oil Integrated(2)	2626.97		2621.78				3.70	5.72	21.77	98.44	1084.83	2762.AB	5/3	2346.06	30/3	2782,46	5/9/94	982.30	30/2/
Of Exploration & Prod(11)	1635.71		1848.32			1797.50	2.52	1	1	38.03	1063.84	2088.43	27/4	1764.40	31/3	3944,10	6/6/90	660730	247/
							422	5.32	771 770	70.99	963.64	27.52.58	2/2	1831.57	26/10	7730.00	2/2/94	985.10	141/
GEN MANUFACTURERS(267)	1841.64	-0.1	1842.58							36.57		1569.10	8/2		5/10			538.76	
Building & Construction(33)	1022,02	_	1021.99			1141.90	3.87	5.49	22.58		884.69		34/1	1783.72	7/10	2253.72		854.80	5/9
Building Malls & Morchs(32)	1821.98		1823.80				4.03	5.36			*****	ZH.42				25642		978.50	
3 Chemicals(23)	2240.45	-0.1			2277.84		4.21	4.70	25.55		898.66		6/8		23/11		2/2/94	954.ED	
Diversided industrials(16)	1732.85		1728.50				5.40	5.31	22.62		891.29	2231.57	2/2	1725.10	25/10			985.80	
Electronic & Elect Equip(34)	1826.18		1834.73				4.14			2719		2261.76	4/2		27/10	2253.35	2/2/94	907.50	
Engineering(71)	1805.34		1803.14				3.35				1038.87		2/2		24/6			985.69	
Engineering, Vehicles(12)	2290.88		2300,48			1972.00	4.37				1120.51	2515.95	6/6	2035.34	25/6	ZIRE.		973.30	141
Printing, Paper & Pckg(26)	2780.95		2767.50					5.55			1098.49	3045.61	18/3		4/7	3048.61			
Textiles 0 Apparel(20)	1550.58	-0.8	1559.78	1555.42	1573.09	1862.80	4.34	841	30.22	51.23	885.99	2024.98	4/2	1543.35	871	2325,10	2/10/87	969.50	749
	2718.42	-0.7	2725.86	2724.53	2758.30	2780.90	4.44	7.40	15.65	112.59	941.57	3548.75	241	2454.94	246	3000,00	22/12/92	967.50	141
COMPUMER ECODS(87)	2183.55		2179.79				4.35	7.95	15.10	81.47	978.33	2464.52	19/1	2071.07	246	2454,57	19/1/94	962.00	14%
Brandrigs(17)	2711.31		2732.30					7,13	16.14	102.20	01291	3225.93	247	263L46	24/5	3457,03	11/5/92	967.50	147
Spirits, Wines & Ciders(10)	2251.43		2281.34				4.36	7.83	15.12	94.55	953.87	2000.64	19/1	2008.25	24/6	2550,54	19/1/94	945.10	14/1
Food Marudacturers(23)	2301.04		2313.89				3.98	7.89	15.29	89.98	533.29	2254.14	13/2	2275.80	5/10	2894.14	18/3/94	927,19	27/1
Household Goods(13)	1588.05	-0.1	1586.19	1571 32	1523 93	1682 90	122	3.39	41.53	49.70	826.06	1908.13	197	1561.43	5/10	2047,48	28/9/87	972.60	21/1
6 Health Cara(21)	3078.22	74.1	2076 93	3088 30	3008.60	3030.79	4.35	6.99	16.53	133.07	967.45	3255.91	28/8	2641.70	1/5	4168.90	14/1/92	951.70	13/1
Phermaceuticals(12)	3000.59	0.0	3720.58		3600.36		5.87	9.29	11.56	217.07	843.91	4715.85	7/1	3120,74	248	4734.83	29/12/93	92.00	9/1
3 1pbacc0(1)			_						_		_					_		SHARE	23/1
SERVICES(219)	1896.25		1899.21				3.31			SLD)	935.45	2207.77	19/1	1946.11	5/10	2251.77		944.90	21/1
Distributors(30)	2518.44					2697.60	3.70	7.33		68,19			2/2			2318.33 2280.62		975.40	
Leisure & Hotels(25)	2061,91	+0.2	2058.48				343				1019.43			1994.18	6/7				
3 Media(39)	2842.08	_	2643.13	2525.80	2878.88	2602.00	2.47			70.14			17/2		27/6		17/2/94	978.20	
4 Rutallers, Food(16)	1743.02		1739.82				3.75				1047.68		19/1		25/4		28/1/93	917.40	
5 Retailers, General(45)	1588.39	-0.6			1839.32		3.36	7.20		52.76		1618.57	4/1		6/10		29/12/93	870.10	
Support Services(41)	1967.50		1512.59		1523,83		283	8.53		38.43				1455.18	5/10	1854.43		\$35.00	1/2
C Transport(16)	2245.09					2359.20	3.70		18.75		894.69		3/2		5/10	2805.96		980.00	
Other Services & Business(7)	1250.12	-0,1	1251.31	1248.95	1251.34	1164.40	4.43	3.26	45.87	28.63	1076.40	1368.58	10/5	1130.62	21/4	2458.20	16/7/87	865.10	147
	2340.22	+0.3	2334 07	2345.65	2394 03	2458.90	4.50	8.06	15.08	01.17	908.15	2762.33	2/2	2100.82	245	2762.33	2/2/94	802.50	3/10
UTILITIES(36)◆	2474.78					2144,90	3.75	10.00	11.95	105.70	1038.57	2754.74	30/6	202L12	246	2754.74	37.84	985.30	7/1
: Rectricity(17)	1958.07	-0.5	1967.42				B.12	1	t	119.82	919.69	2369.77	7/1	1684.20	746	2379.35	16/12/93	994.90	8413
4 Gas Distribution(2)	1931.31		1925.36				4,40	8.13	14.97	50.22	823.50	2450.42	2/2	1004.88	1/5	2461.28	29/12/93	802.50	3/10
6 Telecommunications(4)	1771.57		1779.75			1895.70	5.57	13.70	7.89	80.81	891.06	2126.79	3/2	1588.71	27/5	2125.78	3/2/94	824.70	1/5
8 Water(13)	177130				_		_							4		4			
TO SECURE PROPERTY.	1629.53	-8.1	1630.37	1629.14	1655.10	1642.92	4.D4	8.58	18.27	58.74	1158.15	1471.36	2/2	1562.88	240	1570.35	2/2/94	E3.49	13/12
	2142.98	-03	2150.07	2157.38	2174.63	2277.50	4.53	9.14	12.59	90.84	253.34	2/37.13	472	2834.74	246	2737.13	4/2/94	977.20	23/1
D FINANCIALS(104)		-0.7			2870.54		4.26	10.03	11.41	116.39	850.89	3801.55	472	2615,77	8/7	3501.55	4/2/94	950.60	23/1
1 Banks(10)	2830.11	-4.7			1230.31		_	10.08	11.30		835.43		24/1	1153.82	246		29/12/88	E70.90	25/8
3 Insurance(17)	1216.05	-0.4	2312.55	2317 07	2350 82	2683.60		8.05	15.18		256.57	2921.37	19/1	2120.61	1/5	2921.37	19/1/94	967.70	
Life Assurance(6)	2321.82					2994.10		10.30		97.78	844.78	3751.29	2/2	2570.02		3781.29	2/2/94	987.80	_
	2787.46	-0.1	2768.99			1699.60	3.95	8.56		67.63	991.04	2279.25	4/2	1752.83		2279.35	4/2/94	FE.36	1/10/
Merchant oursely	1843.61	_		1848.28						45.97		1325L85					5/9/89	718.48	
7 Other Financial(24)	1404.83		1404.36	1401.55	1418.34	1711780	4.38	4,64	27.01	40.3/	au0.00)	1405-90	4/2	1401.58	2311	2132.40	3,3,03	110.40	10.0
9 Property(41)	2702.85	40.3	2894.45	2991.05	2736.18	2663.30	231	1,98	50.81	59.44	610.92	3184.81	2/2	2616.96	275	3184,21	2/2/94	977.20	14/1
O INVESTMENT TRUSTS(124)								_	47.65	_	1107.5-								
9 FT-SE-A ALL-SIMILERESIO	1509,03	-0.1	1510.28	1507.86	1532.32	1533.30	4.05	6.81	17.43	55,91	1193.59	1/54.11	27	1445.55	246	1784,11	2/2/94	81.97	13/12
	-																		

75 Merchant Bunks(6) 77 Other Financial(24)	1843.51 1404.83	1844.27 1404.36	1849.28 1879. 1401.56 1418			56 13.90 64 27.01	45.97		2279.25 1 336.8 5		1752.83 1481.58		2279.3 2132.4		718.48	16/9/92
70 Property(41)	2702.65	+0.3 2094.45	2991.05 2736.	16 2663.30	231 1	98 50.91	59.44	610.92	3184.81	2/2	2616.96	27.5	3184,2	1 2/2/94	977.20	14/1/88
80 INVESTMENT TRUSTS(124)		-0.1 1510.26	1507.88 1532	32 1533.30	4.05 B	B1 17.42	55.91	1193.59	1754.11	2/2	1445.85	246	1784.1	1 2/2/94	対。撃	13/12/74
89 FT-SE-A ALL-SHARE(865)	1508.05	-0.1 IQ.IO.		-								-				
Hourly moveme	ents	9.00	10.00	11.00		12.00		2.00	14.00		5.00	15.1	0	High/day	Los	w/day
H Monry	Open										_					
	3029,2	3019.5		3015.7		3019.3		022.2	3022.9		3031.5	303		3033.5		014.3
FT-SE 100	3471.4	3481.2		3484.6		3488.8		489.1	3470.5		474.8	3477		3480.3		461.2
FT-SE Mid 250	1520.1	1515.3	1515.2	15142	2	1516.0	1	517 <i>.</i> 2	1517.6	1	1521.3	1521	.9	1522.7	1	513.7
FT-SE-A 350	- 10.15em															
FT-SE-A 350 Time of FT-SE 100 High: 4.27pm i		Acceptant b	sekots													
Time of FT-SE 100 High: 4.27pm	s 350 m	GRZA Y	10.00	11.00	12.00	19	1.00	14.00	15.0		18.10		088	Previous		ange
E LI-SE MOSA	Open	9.00					-						U849		<u>~</u>	
	967.5	967.0	967.3	967.3	967.		67.3	968.			968		8 8.1	968.3		-0.2
Bidg & Costron	3036.3	3026.7	3027.2	3025.2	3030.1		31.2	3032			3049.		50,7	3049.3		+1.4
Pharmaceuticls	1748.8	1728.5	1749.1	1756.1	1764.		64.6	1765.			1767,		68.5	1776.6		-8.1
Water	9972.4	2852.7	2650.1	2848.5 Bank	2852.0 Base	28	53.7	2852	8 2561. Rese	O Ba	288 5,	3 28	85.8	2884.5	Base	16.0 Base
Benks	Base page	Coulty S	ection or grou	o date	Velue		secti	on or pro				iquity sec	ion o	GLOCA	date	value
Equity section or group	date value		250 as inv Troot	31/12/85	1412 8	Water			29/12/85	100		K Gitts In			12/75	100.00
Equity section 100	12/92 1000.0		350	31/12/96			hands	ale:	10/4/80			ndex-Links			1/4/82	100.00
FT-SE Total Hamman and 31/	10/02 1303	S CT OF 16	Yn .	31/12/83	1000.00	FT-SE	A AL	Share	10/4/60	10	000 0	t have select	7574	31/	12/77	100.00
FT-SE Small Jun Tres 31/	12/92 1303.	O Planking		31/12/90	1000.00	AN Oth	-		31/12/85	100	0.00					
FT-SE Smellish ex an 31/	12/85 1412	ne Comment	indices are com	olied by the Lo	andon Si	ock Exchar	100 MX	the FT-SE	Actuaries Al-	Stare	indea uno	d the FT-SE	Smeat	an index are	сопове	d by The
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Halifax talk hits banks

Merger plans by the Halifax and Leeds Permanent ruffled the banking sector with the stock market quick to mark down the big mortgage lenders Lloyds Bank and Abhey National on the news that the new entity would seek to become a listed, public limited company.

Lloyds, which is absorbing Cheltenham and Gloucester Building Society, shed 10 to 564p while Abbey National dipped 2% to 407p. having been as low as 404p at

one stage during the day. Most banking specialists thought the initial share price responses were overdone, how. ever, arguing that the merger was aimed as much at removing mortgage capacity as sup-

plying the stock market with a higger, more aggressive lender. The two societies, numbers one and five respectively in the building society pecking order. have combined assets of £88bn and are likely to have a market capitalisation of around £5.5bn when they come to the market - possibly some time in 1996, according to best bets among

analysts yesterday. This would would put any Halifax/Leeds bank roughly on a par with the Abbey National and is likely to propel the new entity directly in to the Footsie 100 index. With a 23 per cent share of net new mortgage lending, it dominates the field in this area, with Abbey National holding down 10 per cent and NatWest some 6 per cent.

NW Water rises

Shares in North West Water reversed an early retreat and powered ahead gaining 9 to 529p, in trade of 2.5m, as the market gave a favourable welcome to the group's new partnership with US construction services group Bechtel and favourable interim results.

The deal, designed to boost NWW's international water and waste operations, also involves the sale of the group's engineering subsidiary and transferring the management

NEW HIGHS AND LOWS FOR 1994

ENGINEERING (2) Cobhum. Tumpyka. EXTRACTIVE INDS (1) Anglo Arms. Coal. NVESTMENT TRUSTS (4) Floring Inc. High

ENTERMENT TRUSTS (I) Flemming Intil. High Pr., Gartmore Value Zero Pt., Pheer Plans Zero Pt., OR. EDPLOPATION A PROD QS CRUSSING. Global Midutal Researchs, Inc., PRTING, PAPER & PACKOS (I) Shore S , SPIRITS, VENES & GÜDERS (I) Shored Mandia A TEXTRES & APPAREL (I) Cleamburten Phipps.

NEW LOWS (III).

BANKOS (I) First Nar'l. Finaco 7pc Pt., BUILDING & CHETTRI (I) ANEC STAP Pt., Avonada, Evo. Regent Corp., BLDS MATLS & MCTTS (I) Cap., Hoywood Williams., Do Pt., Moreno., Remus., CHEMICALS (I) Courtsuide, Kelon, Yorigithe Cleares., DISTRIBUTIORS (S) Applayand, Casendala, Heritaga, Lee Service, Wholeself Fistings, Young (I), Build-RESSED WOLLS (I) BTR Williams. 19476, Staveley Inde., ELECTEDIA & ELECTEDIAP (4) Chlorido, DRS Dala Rea., Fonsand Group, Telecotops.

ELECTRING & ELECT EQUP (4) Chloride, DRS
Data Rea., Fonsard Group, Totomothe,
ENGREEPING (2) Blattern 19, Wagon Ind'l. 7Np
PI. ENG., VEHICLES (1) Salect Inda.,
EXTRACTIVE RIDG (4) Baloynik Gold,
EXTRACTIVE RIDG (4) Baloynik Gold,
EXTRACTIVE RIDG (4) Baloynik Gold,
FOOD MANUF (1) Hazimotod, HEALTH CARE
(1) Extrac Int'l, BESURANCE (4) Comstate &
General, JB, Chel. RIVESTMENT TRUSTS (14)
IMVESTMENT COMPANIES (1) Guangdong
Dwips, Funt, LEISURE & HOTELS (2) Prism
Low., St. James Booch Hotel, MESEA, (2) Capital

Low., St. James Booch Hotel, MESEA, (2) Capital

Low., St. James Booch Hotel, MESEA, (2) Capital

Low., St. James Booch Hotel, MESEA, (2) Capital Low., St. James Booch Hotel, MEDRA (2) Capital Radio, Sumest & Vive., OR. EXPLORATION & PROD (1) Plast Australian Rata., OTHER PRIDO (1) Flat Australian Rose, OTHERS FINANCIAL (1) IAP, PRITING, PAPIER & PACKO (2) API, Plyma, PROPERTY (7) Birloy, Brit Land Ope Cv. Bd., Claratend Trust, Danjan, Owaccopment Soca, Pool Hidgs, Property Trust (PVT), RETVALLERS, GENERAL, (8) Boots, Encar Farmium, Nonecco, SPHETTS, WHIES & CIDERS (1) Methydown, SERPORTS, SHOWS (2) Calcheell Invo., Readicus, WATER (1) South West, CANADRANS (1) Darian Indra.

of its five-year capital investment programme to its new US partner.

NWW also reported an 8 per cent increase in interim profits to £176.4m, in figures brought forward from next week to tie in with the partnership announcement But the 8.9 per cent increase in the dividend to 8.35p was said to have fallen a "little short" of market expectations.

Mr Richard Alderman at Nat-West Securities one of the group's brokers who remained upbeat, saying: "There are obvious long-term benefits of a tie-up with Bechtel. Even if today's dividend is on the low side, the company has reiterated its long-term stance that dividend growth will be at least 6 per cent (real) for the next four years."

Aside from the North West excitement, the mood was dampened by half-year results from Welsh Water below market expectations. The group reported a profit of £49.4m after exceptional restructuring charges of £28.5m. One

observer said: "Welsh has been forced to write off more than twice the purchase price of Acer since its acquisition two years ago. That takes some doing." Many brokers said they would be downgrading full-

VSEL bid fever

year expectations.

Submarine maker VSEL jumped 25 to 1520p as rumours ran round the market that the expected increased takeover offer from electronics giant GEC was about to be unveiled early next week, possibly topping the present 1491p all-share hid from British Aerospace by more than £1. GEC itself dipped 31/4 to 274p while BAe extended its recent strong run. rising 9 to 452p for a two-day advance of 18.

Insurance sector switching sparked a modest run in Commercial Unioa, pushing the shares up 8 to 530p largely at the expense of General Accident which dipped 4 to 541p after what was thought to be a cautious note from a leading broking house.

Sun Alliance was the most active shares in the sector shedding 3 to 314p in 3.3m turnover as a large line of stock - 1.7m shares - passed through the market.

A two-way pull in Storehouse, which reported favourable figures on Thursday, saw the shares edge forward a half to 214%p. NatWest Securities urged investors to buy the shares saying. "The rating still does not reflect the potential. The predictability of the numbers is now being complemented by management stability and aggressive expansion

[but not diversification]." Concern about Christmas trading continued to weaken several retail stocks. Marks & Spencer gave up 6 to 398p and Body Shop lost 3 to 209p. Dix-ons shed a penny to 185p. Fading bid hopes for Hazel-

wood Food, and nervous trading ahead of Tuesday's figures, left the shares 3 off at 106p. Profits downgradings in Allied Domecq before and after the group reported interim figures that disappointed the market, continued to overhang the

stock. The shares relinquished 2½ to 553p. Analysts at NatWest Securities suggested the shares were fully valued" at current levels 1½ to 20½p.

II CHIEF PRICE CHANGES YESTERDAY

ondon (Pence)				
ises				
rlt Aerospace	452	+	9	
ullers .	201/2+		139	
dipse Blinds	9%+		114	
ench Connectn	257	+	7	
rtham (James)	194	+	17	
nonelink	235	+	17	
othmans Uts	440	+	17	
ET	46	+	4	
ePerfect	137	+	6	
ty Homes	168	+	9	
SEL.	1520	+	25	
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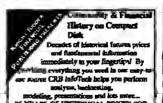
but added: "Allied has disappointed the market through failures of form rather than content. It has produced what will probably turn out to be the best performance of its peer group in spirits."

On turnover of 24m shares, freight specialist NFC was yesterday's most actively traded stock as the second leg of a spate of bed and breakfast, or tax-related, deals went through the market. The shares gained 2 to 174p abead of the company's full-year results, due on December 6.

British Airways added 2 to 375p, shaking off worries about an increase in airport tax in next week's Budget and concentrating on the next set of monthly traffic figures. Due December 5, these are expected to show an increase of 5 per cent for November.

Footwear maker Pentland Group gained 4 to 103p in turnover of 9.7m with a large line of stock changing hands. There were two deals of more than 4m shares done at 104n and 1060 but suggestions of a strategic move of the cash-rich company (it has bank balances worth half its £370m market capitalisation) were not taken seriously hy analysts yester-

Tobacco group Rothmans International jumped 17 to 440p, after reporting a better than anticipated 18 per cent increase in interim profits to £275.9m. Favourable press comment boosted giftware group Bullers, belging the shares add



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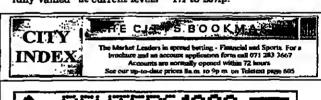
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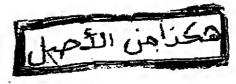
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FINANCIAL TIMES

Weekend November 26/November 27 1994



High dividends cut British Assets' reserves

Ivory and Sime plans to reorganise trust

By Norma Cohen. ments Correspondent

and Sime, the Edinburgh based fund manager, yesterday proposed a reorganisation of its flagship investment trust, British Assets Trust, whose income has been insufficient to pay the high dividends promised to investors.

Under the plan some share-holders will forgo dividends for seven years in return for the right to buy more shares at a

special price.

Ivory and Sime will also reorganise the assets of another investment trust it manages,

Investors Capital Trust.
British Assets, which owns 36
per cent of ICT, will sell its stake. Together the two trusts have nearly £1bn in assets, about a quarter of all Ivory and Sime's investment trust assets under

"Ivory and Sime has been the investment manager over the past 10 years and is not entirely free of hlame. Performance has

Serbs push

into Bihac

provoking retaliation by the

Serbs. This tactic had eventually

The UN was also trying yester-day to negotiate a ceasefire

throughout Bosnia, a proposal

which was approved in principle

by both the Serbs and the Mos-

However the two sides' cease-

fire terms seemed to be mutually

exclusive. The Serbs wanted an indefinite ceasefire, while the

government side - wary of freez-

ing the existing battle lines -

called for a three-month truce

Mr Jovan Zametica, an adviser to the Bosuian Serb leadership, set tough conditions for the

"demilitarisation" of Bihac, say-

ing: "We Serbs have the legiti-mate right to defeat and disarm

London, where it owns Morgan

Grenfell, the UK investment

house. It said the Deutsche Tele

kom share sale would make a

strong contribution to the Ger-

man financial market and the

development of an equity culture. Up to DM9bn of the issue by

Deutsche Telekom, the largest

telecommunications concern in

Europe, will be sold to German

investors. The company also

intends to list shares on Wall

Street, making the choice of a US

bank as joint global manager

Europe today

High pressure over the Gulf of Biscey will bring calm, cloudy conditions to

manean will be sunny and dry,

France and the south of Britain.

Northern Ireland, Scotland, the Netherlands, Denmark and weste

with temperatures of about 20C in

southern Italy and Spain. Turkey and the eastern Balkans will have some

showers, with snow on higher ground. Snow and northerly winds will

continue in European Russia. Northern Europe will have some snow on higher

ground and in the north, with rain

Germany will have rain. The

almost inevitable.

the ... government forces.

Continued from Page 1

Continued from Page 1

worked, they said.

m-led government.

Colin Hook, managing director designate at Ivory and Sime.

Earlier this month, British Assets, which has about 60,000 shareholders, said its net asset value had fallen 7.6 per cent to 102p per share for the year to end September. In that time, the FT-SE Actuaries All-Share Index

Mr Hook said the directors of both trusts had considered sack-ing Ivory and Sime, but had reconsidered after management changes. It is expected that the chairman of British Assets, Mr Roger Inglis, will step down after 37 years on the board.

British Assets'e charter promises investors it will pay dividends each year which outstrip above the rate of inflation. In the event, British Assets has only been able to keep its dividend promise to shareholders by eating into reserves.

We are now down to about 47 per cent cover (reserves over dividend expense) and it would only be a matter of time before our reserves are depleted," said Mr Richard Muckert, newly

appointed fund manager.

Under the proposals, 16 per cent of shareholders must agree to receive no dividends for seven years by converting some of their ordinary shares to a new class of growth share"

Each growth share will come with five warrants, entitling the investor to huy new ordinary chares in seven years at a price equal to British Assets' net asset value at the reorganisation date. Those who retain ordinary shares can expect dividend growth to continue as promised.

Institutional shareholders have

to take up at least 16 per cent of the new shares. However the proposals cannot be adopted unless 75 per cent of shareholders attending an extraordinary general meeting

lready indicated their intention

next month vote in favour. British Assets shares closed yesterday et 94p, up 1.5p on the day, after 22m shares changed hands in unusually heavy trading. The shares are trading at a discount of 7 per cent to net asset

Lira falls to fresh low over concern on pension reform

By Robert Graham in Rome

The lira fell to a record low against the D-Mark yesterday on fears the Italian government had given way to union demands on pension reform in order to head off a general strike planned for next Friday.

There was also increased nervousness about the plight of Mr Silvio Berlusconi, the prime minister, who is due to be interrogated - probably this weekend by Milan magistrates about alleged corruption while he ran his Fininvest business empire. Mr Berlusconi discussed the

options open to himself and his embattled government in a frosty meeting with President Oscar Luigi Scalfaro yesterday. The Telekom role prime minister's supporters claim the president is seeking to claim the president is seeking to accelerate Mr Berlusconi's down-fall and replace him with a gov-ernment of national salvation.

Despite progress during a meeting on Thursday hetween the government and the unions, the union leadership yesterday refused to call off the eight-hour stoppage. The unions were confident the increasingly weak rightwing coalition would make the concessions necessary to let them

call off the strike. A fresh negotiating session is scheduled for Wednesday. This would follow a cabinet meeting called to ensure all partners in the coalition are ready to back the final passage of the 1995 bud-

get through parliament. Mr Scalfaro is understood yesterday to have insisted on the need to pass the hudget before any govern-ment crisis comes to a bead, and to avoid instability through a clash with the unions.

The conceasions centre on removing pension reform propos-als from the budget and finding alternative sources of revenue. However, financial markets were concerned that by treating the issue of pension reform sepa-rately the budget would be weakened and the eventual reform could be watered down. The lira alipped to L1,039 against the D-Mark in late Milan trade com-

pared with Thursday's L1,035. The prime minister's position was further weakened yesterday because of his failure to obtain a public declaration of support for himself and his government from Mr Scalfaro. Mr Berlusconi had to deny instead that he was not "at war" with the president.

Also yesterday, newspapers published leaks from an impending decision of the constitutional court on the legality of the 1990 law on television ownership. The court was reported to have concluded that Mr Berlusconi's ownership of three commercial channels was unconstitutional. If so, the media magnate turned pre-

Sale of **National** group.

By Simon Davies

collapsed yesterday after its largest shareholders would not accept the final deal.

The sale, to Prudential Venture more than eight months.

It is understood that Sir Donald

Gosling and Mr Ronald Hobson the founders and 72 per cent shareholders of National Parking Corporation (NPC) - valued the company at almost £50m more than PruVen was prepared to

PruVen, part of the Prudential insurance group, is believed to have offered about £550m cash, with a further £100m of deferred payments if NPC met perfor-

"Nothing in the due diligence [the report into the company's finances] suggested that the company was anything other than what we had thought it was," said Mr Martin Clarke, a director at PruVen. "We were paying a full price, they wanted a slightly fulier price, and we couldn't make the two meet."

Charterhouse Development Capi-tal, Cinven, Electra, Montagu Private Equity, NatWest Ventures and Royal Bank Development

on a matched bargain basis, fell

and Green Flag, which owns National Breakdown Recovery

the car parks are valued at cost and analysts put the asset value closer to £400m. NPC made a £50.5m pre-tax profit last year. PruVen planned to bring in Mr Bob McKenzie, former BET finance director, as a new chief executive, but would have left the remaining management

Car Parks collapses

Managers and a consortium of venture capital backers, would have been the largest leveraged huy-out in the UK this year, and negotiations had dragged on for

institutional shareholder.

shares reached 630p earlier this year on expectations that a deal could be worth up to £1bn. NPC's two key operating com-panies are National Car Parks

The deal was to have been only unusually low level for a venture capital buy-out.

cient capital to grow, and would not raise more deht to meet the Sir Donald and Mr Hobson will

The £650m sale of the company that owns National Car Parks

Both sides emphasised that the parting was amicable. PruVen remains NPC's second-largest

PruVen's consortium included

NPC's shares, which are traded

100p yesterday to 450p. The

and Home Emergency Service.
The group published net assets of £242m as at March 1994, but

structure intact. 50 per cent funded by debt, an

However, Mr Clarke was insistent that NPC should have suffi-

continue to manage the group, but it is expected that they will search for an alternative buyer at

founders' asking price mier would have to divest at least one channel by 1996. Man in the News, Page 16 Currencies, Page 17 FT WEATHER GUIDE

Five-day forecast

A strong high-pressure area will move into western Europe from the Atlantic. bringing fog and patchy cloud to England, the Low Countries and heavy rain and thunderstorms. A series of frontal systems arriving from the west will bring rain, sleet and snow to Northern Europe.

TODAY'S TEMPERATURES



More and more experienced travellers make us their first choice. Lufthansa

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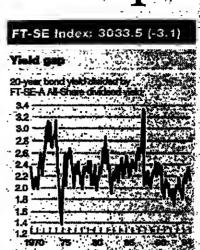
Yorkshire pudding

The Leeds Permanent Building Society has proved a misnomer. If its proposed merger with the Halifax is completed it will no longer be based in Leeds, it will cease to be a building society and its name will have proved less than permanent. The reasons for this extraordinary move, which will eventually create a bank with assets of 690bn, are not hard to fathom. The mortgage market is being forced to rationalise as building societies struggle with low volumes of new business. Their problems have been compounded by ever keener competition from the banks.

Halifax and Leeds claim the merger should provide the combined group with sufficient size to compete successfully. But size for size's sake is nonsense, and it is disturbing that both institutions play down the scope for rationalisation. They insist, for example, that both headquarters will be kept, redundancies will be voluntary and branches will be maintained. The societies' managements should be mindful of the dangers of failing to cut costs: when the Nationwide and Anglia merged in 1987, there was little rationalisation for several years and consequently a poor return on assets.

Members should not become overly concerned about the end of mutual status. For one thing, they will profit personally from the transformation of the societies to e public limited company, as they will receive equity in the new bank. Management, faced with the disciplines of running a quoted group, could hardly prove less accountable than at present. The business may benefit too. The switch in status will allow Halifax to raise funds from wholesale markets more easily to fill the gap created by the deceleration. in the growth of deposit taking. But more freedom will bring greater risks: the last time societies were given greater freedom, they charged into estate agency with disastrous consequences. So the new shareholders will have to keep management on a tight

Even if members agree to the marriage it may not necessarily be consummated. The merger must clear some tough regulatory hurdles, not least of which is the Office of Fair Trading, Last year the combined group would have had nearly 23 per cent of the UK mortgage market. How-ever, given the few barriers to entering the mortgage market and the opportunities for new distribution methods such as direct selling by telephone, the group's market share



should not prove problematic.

Once the group has been floated with an expected market capitalisation of £8bn-£9bn, it should become a formidable competitor. That will place additional pressure on banks and building societies. A series of further financial earthquakes can be expected in the UK, emulating either this latest deal, or Lloyds Bank's takeover of Cheltenham & Gloucester.

Sentiment has huffeted the London stock market all week. In the first half, the plunge on Wall Street caused. tha damage - though it is hard to argue that British equities are overvalned. The ratio between bond and equity yields is actually below its average since 1970. Since Thursday, the market has been dogged by politi-cal worries. Again, sentiment rather than logic has been decisive. Not only is it highly unlikely that Mr John Major will be defeated in a leadership challenge; even if he were, it is not obvious why the market should care. Next week sentiment could move in

the other direction. True, political rumblings will continue, until it is clear that Mr Major is home and dry on Wednesday. But provided Mr Kenneth Clarke, the chancellor, can make himself heard above the din, he should have good news for the markets when he presents the Budget on Tuesday. He should be able to cut his forecast for next year's public-sector borrowing requirement to £24bn or less. That should be positive for gilts, with equities benefiting in their wake. Investors are already giving the government some credit for its responsible mone-

fiscal policy would reinforce its standing among international investors particularly given the parlous state of

many other governments' finances. The real worry is not next week's but next year's Budget. Mr Major will be tempted to agree a high-spending tex-cutting Budget to sweeten voters just before the next general election But it is not clear that it would be in Mr Clarke's interest to compressive his remutation for fiscal responsibility. reputation for fiscal responsibility. The more he can reassure investors on Tuesday about 1995 the better.

Deutsche Telekom

The Deutsche Telekom privatication will be big in many ways, not least in the size of the fees the investment banks involved in the deal expect to collect. But how is one to explain the astonishing DM450m (£180m) fee "pot" being talked about? Is it the reward for thousands of hours hard work by an army of highly-paid bankers, ana-lysts and salesmen? Or is it a reflection of imperfect competition in the supply of global equity distribution

The answer is probably a mixture of both. Certainly, the work put in by scores of banks on large deals like Telekom is mammoth. Banks also need to invest big sums in building a distribution infrastructure that gives them global reach. On the other hand, the international primary distribution business is, by all accounts, extremely profitable. If competition were functioning effectively, one would expect

price-cutting to reduce fees. There are two reasons why this does not happen. First, the industry is an oligopoly only a handful of banks can arrange global distribution, with the rest providing local feeder networks. Second, though banks fight fiercely for new business, they compete on the quality of their distribution networks rather than their fees. Surely it is bet-ter, they tell clients, to receive the maximum sales price for their equity through excellent distribution than skimp on the commission but receive lower overall proceeds. Few clients are able to resist such sales patter.
Still, the banks may not have it all their way this time round. The German finance ministry has already indicated that it intends to drive a hard

bargain on fees. Such is the prestige of being involved in the Telekom deal

that few banks would be willing to

drop out, however low the commis

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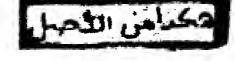
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Battle of the super-jumbos

Paul Betts explains how competition and new technology are changing the face of air travel

t was a Jesuit priest who introduced me to the art of frequent flying. "Wear a dog collar," he declared ona Sunday from the pulpit of the Church of the Holy Redeemer in Chelsea: "It can work miracles." As one who has flown more than 150,000 miles in the past year, I know what he means. Wearing the cloth is only one of many ways to persuade the world's airlines to offer an upgrade to an improved class.

A word of warning, however.

Not everyone welcomes a

priest in the first-class cabin. Dom Anthony Sutch, a Benedictine monk from Downside Abbey in Somerset, had settled comfortably into his first-class seat in full monastic robes, sipping champagne and tucking into the caviar en route to Hong Kong with Cathay

Pacific Afrways.
"You hypocrite," said a loud Australian next to him.
"No," he replied. "I had an economy ticket but was upgraded because my brother Peter is the chairman of the

ercury

phone 0800 0800 H

"You are a liar as well as a hypocrite," snapped the Aus-Frequent flyers have all had

to develop their own tech-

niques to survive the rigours of for passengers and heavier modern air travel. But they are having to sharpen their skills because air travel is set to become even more confusing as airlines adapt to huge changes in their market.

Aviation is in a state of revolution as the industry stroggles to achieve profitability and adapt to forces of competi-tion brought on by liberalisa-tion and the evolution of a once elitist mode of travel into a mass transport system. Last year, more than 1.25bn people travelled by air. The industry expects the number to double

On the ground, many big airports are already saturated. Since the construction of a new airport takes up to 30 years (for example, Munich which opened last year), some of the busiest airports such as Heathrow or Frankfurt may eventually be forced to turn airlines away.

In the air, the congestion is just as bad. Unless traffic control systems in Europe and other parts of the world can be modernised fairly soon, many of the world's busiest air lanes will find it hard to cope with the expected 5-6 per cent a year growth in traffic.

Joe Rogaly

It all adds up to more delays

costs for airlines, which have accumulated losses of \$15.6bn during the last four years on their international scheduled services alone, Although business is picking up, this year's, profits are expected to be less than 1 per cent of the indus-

try's turnover.

While traffic is rising again, competition is holding down fares and passenger yields. As the business traveller has traditionally subsidised the majority of people who fly economy, airlines have had to offer increasingly complex induce-ments to lure them into their aircraft. But they have had to go further. To fill their aircraft, they have had to extend these offers to the bulk of their economy passengers. Each carrier wants to fill every last seat on its craft, almost at any price. but on the other hand to maximise overall profits. These conflicting pressures yield increasing opportunities for alert passengers, but plenty of

pitfalls as well. All big airlines, even those which were at first reluctant, have had to introduce frequent flyer loyalty programmes for business travellers; many are improving their airport lounge facilities with showers, business centres and, in some cases, fitness centres and swimming pools; others offer free limousine services to airports, luggage pick-up or dropoff services, and valet parking at airports.

These incentives, especially

Airlines reckon that many who have accumulated free miles and other bonuses will never take them up

for high fare paying passen-gers, are likely to multiply because airlines expect that only a fifth of passengers will be travelling in premium class cabins by the turn of the century. But you need to develop the eye of a detective to make the most of these offers. The inducements vary greatly from airline to airline, and many carriers will volunteer to tell passengers what benefits they can claim only if asked.

British Airways, for example, offers generous free air miles for passengers flying across ultimately went bust. the North Atlantic, where one To some extent, the industry has learnt its lesson. Many of of the fiercest battles for market share is being waged between European and US car-

economy passenger flying from London to San Francisco receives 750 free miles. If he flies to Hong Kong he gets 125, Such schemes have helped airlines win business but they are now in danger of becoming a serious embarrassment. Sev-eral million seats are now thought to be covered by frequent flyer schemes. If everyone were to take up their entitlements, the industry would

riers. But on other routes, the

number of free miles is much

smaller. A full fare paying

be in deep trouble.

Airlines, however, calculate that many people who have accumulated free miles and other bonuses, will never take them up. At present, the redemption rate is around 30-40 per cent, and airlines believe they are safe provided they more. But there is a dangerous precedent. The troubles of Pan Am in the late 1980s were severely aggravated by the high proportion of passengers taking up free flight entitlements from its bonus programme. The famous airline

the incentives now offered are designed to encourage people not to take them up. Many airlines have set a time limit (on average two years) for the redemption of free miles. Many impose restrictions on when you can fly, to avoid swamping their system with free seats. They are also increasingly offering passengers alternative benefits such as sending free bouquets of flowers, reduced car hire rates, free hotel rooms

and other gifts. Tha development of big computer reservation systems, providing carriers with up-to-theminute information on the booking situation of any flight at any time on any day, and the growing freedom to set fares is also forcing consumers to keep a tight watch on prices. Airlines call it yield manage-ment. It means they can adjust prices, especially in the high

volume aconomy cabin, to match demand. As a result, economy class fares in Europe can vary by £100-£150 on any given route. On long haul flights, the variations are even

more propounced.

"If you have time, it pays to shop around," advises an Air France official. "By making a few telephona calls, you can find very attractive deals with airlines as well as bucket shops." The airline scrambla for mar-

ket share has produced another phenomenon: overbooking. It was originally a product of the aviation boom of the late 1980s and disappeared as the industry went into recession after the Gulf War. But with the recovery, it is making a comeback. Although airlines are now forced to compensate any confirmed passengers who are denied boarding. some deliberately continue to flaunt the industry's "good air-line practices" in an effort to

Continued on Page XVII

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NEXT WEEK Four pages of Christmas books

All present and correct

Why we abandon restraint in the use of language at our peril

Tories, shock troops for Micho be politically correct may be good for us, in small doses. This observation is not conventional. What we are not conventional. What we are supposed to say about the pc tendency is something like "cannot stand them" or "the trouble with lesbians..." or "beware the new censorship" or "this is stultifying orthodoxy" or, mostly, "yeugh".

It is too simple. When good liberal folk like you and me sensider who is decidedly

consider who is decidedly against pc, we begin to see some merit in it. Some of the antis are particularly twitchy. Their knees jerk so far to the Right they look like one of the bent-metal nudes that won the Turner prize this week. Can we walk with such individuals? We should think hard before taking any such step. Our starting text is the mamorandum prepared by John Maples for the Conservative party and leaked to the

of politically correct, liberal minded 'do-gooders'" as "the main reason not to vote Labour". This glowering suspicion was measured by qualitative survey research into the opinions of 80 subjects of the Queen who voted Conservative in April 1992 but who now say they might or would not. Who are these people? According to their general range of

FT this week. It cites "distrust

ael Portillo or Alf Garnett. They say the same sort of thing as do the natural authoritarians identified in the British Social Attitudes survey described here last Sat-urday. They may reflect the opinions of as much as 40 per cent of the electorate.

These are in no way pc. Respondents to the Maples memorandum expressed "very right wing views on crime and immigration, deep disapproval of 'scrounging' on social secu-rity" and "deep fear of 'loony lefties". These are mists and fog patches in which lurk hangers and floggers, xenophobes and homophobes, puta-tive bullies who tremble in fear at changes they do not understand in a world they do not like. We broad-minded cosmopolitans must take care. The party that meets their dreams would probably sweep the country.

Or would it? On Thursday Patrick Nicholls was forced to resign as vice chairman of the Conservatives. The MP for Teignmonth had made an error. In an article in the Western Morning News he described the French as "a nation of collaborators", the Germans as "warmongers" and lesser members of the European Community as "beggars". Mr Nicholls misjudged the level of bigotry to which it

offended Conservative political Cash's use of the word "cabal" correctness.
Other famous Tories have

done the same. Enoch Powell lost his place in the Conservative party following his "rivers of blood" speech. The late Nicholas Ridley had to leave the cabinet after writing an article in The Spectator maga zine in which he expressed views of the Germans with which Mr Nicholls might well

Freedom to say what we like does not absolve us from possible consequences

have concurred. This week the same iournal carries a letter accusing its editors of being unable to distinguish between "racist cant" and "thoughtful commentary". It is signed by 15 luminaries

of the film world, including Kevin Kostner, Kirk Douglas, Charlton Heston, Frank Mancuso, Steven Spielberg, Barbra Streisand...you name a name, it is there. The 15 object to a recent article by William Cash in which he asserted that most of the members of Hollywood's "New Establishment" wera

was "unfortunate", but has otherwise published a pro-longed defence of the original piece. In passing, he observes that two years ago Mr Ferd-inand Mount, editor of the Times Literary Supplement, wrote that he had found, in The Speciator, articles "of an astonishing sourness attacking the Italians, the French (twice), the Swiss, the Greeks,

the Poles, the Russians, the

Germans...'

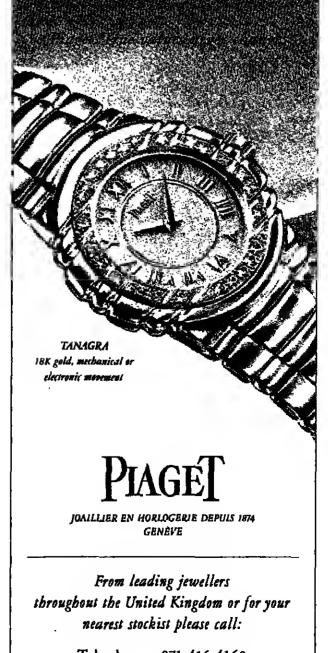
l am not surprised. The Spectator is a stimulating current affairs weekly, not to be missed, if only for its cartoons. l always pick it up first, yet over the years I have felt the same unease as has Mr Mount. The house journal of the British right sometimes appears not to comprehend that there is indeed a potential connection between verbal disparagemant and actual discrimination. Freedom to say what you like, which I would defend with the best of them, does not absolve any of us of the need to consider the possible

consequences of our remarks. This is not to say that we should all now become absolutely politically correct. Never. The phrase embraces most of the manifestations of contemporary social ferment, including militant feminism, coercive campaigns against ing to their general right-wing is safe to descend in print. He Jews. The editor says that Mr of works by "dead white Euroviews they are right-wing is safe to descend in print. He smokers, an illiterate rejection

attempts to tailor the English language. You would have to be very intellectually challenged to swallow even a tenth of it.

Yet the motivations of moderate purveyors of pc are not always malign. In Johannesburg in the 1950s there was much debate among white editors about what to call black South Africans. Your political position was defined by whether you preferred the derogatory "kaffir", the conde-scending "native", apartheid's "bantu" or the civilised "Afri-can". The history of the spread of white acceptance of blacks as equals may be traced in the dwindling usage of the three offensive words. In the course of his lifetime, Nelson Mandela has been called all four. The women's movement

could doubtless produce a similar analysis of the etymological history of the feminina gender. Disabled and handicapped individuals may likewise attest that crude terminology represents the thinking of an unkinder age. I do not propose excessive virtue here. The transference of phrases once confined to lavatory walls to the front of printed T-shirts is an example of what happens when restraint is abandoned. Such obscenity is tedious. But language that assaults groups can be lethal.



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Peter Marsh went for a walk in Docklands and found a world transformed. But have the changes been for the better?

his summer I was given an unusual assignment: to design a series of walks through London's formerly derelict dock sites. The commission came from the London Docklands Development Corporation which believes tourism can lift the Docklands economy. "The trouble is that when visitors get here, they often don't have a clue as to which bits are worth see-

ing: you'll change that," I was told. In the past decade, a forest of office and bousing blocks has sprung up from the relics of London's old docks. For 150 years until the 1960s, the area was one of Britain's industrial hubs. In the 1930s its docks and associated businesses employed 100,000 people. In the aftermath of the docks' closure in the 1970s the area became a wasteland, but in recent years it has been transformed. Not everyone believes this change has been for

I called on Sir Peter Levene. chairman of Canary Wharf, Dock-lands' £1.5bn flagship development. It has 5m sq ft of office space. Its 800ft high tower, the tallest in Britain, contains enough marble to cover a soccer pitch. Sir Peter looked out of his 30th-storey office and said: "Fifteen years ago Dock-lands was a dump. Now it feels like a district of central London and it's a wonderful place to work."

John Fox, a 37-year-old sculptor, is less upbeat. On the balcony of his 19th floor flat in the unattractive local-authority Barkantine estate, Fox said: "Tve lived here I1 years and watched something new go up virtually every day, A lot of the architecture has been execrable. The developers tried to build a new Jerusalem, but they've created a monument to themselves. What the local people have got out of it is

In 1985, the corporation talked airily about its plans; "Docklands will be rare among new developments in post-war Britain for having industry and commerce, housing and leisure facilities, co-existing instead of being kept apart. In consequence local people will be able to live. work and play in the same area. The sterility of so many developments elsewhere . . . will have no place in Docklands."

The corporation was established as a Thatcherite vehicle two years after the former Conservative leader took power. It effectively became a monster estate agent, buying land either from the private sector or from pubbc authorities and selling it to the highest bidder. It hoped the area would be transformed by private money and the laws of the market. The inflows of wealth would trickle down to the existing population, with new and old interacting harmoniously.

Using a mixture of tax concessions, loose planning controls and unbridled hype, the corporation has levered £6bn of private investment into the area for a public outlay, according to the corporation's fig-ures, of £1.6bn. But little has trickled down. The harmony has turned out to be discordant.

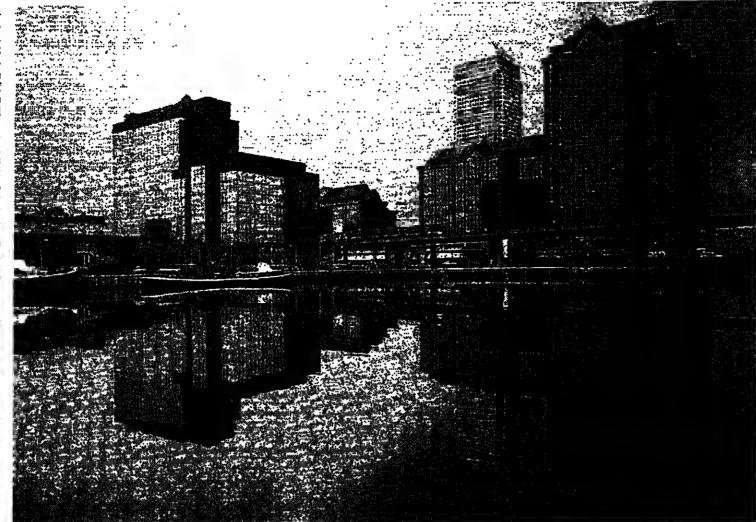
The gleaming Canary Wharf is one leitmotiv of Docklands, but another is Beckton Gasworks, on the eastern fringe of the area. Once the world's biggest gas plant, Beck-ton is now half demolished, a surrealist array of vast concrete blocks leaning at crazy angles and sitting on land grossly contaminated by industrial chemicals. Although plans exist to turn the land into a retail and industrial park, the site is effectively abandoned. Market forces are powerless to bring it into

The brave new Docklands world has turned out to be a mish-mash of ideas and experiences, a mixture of ambition and alienation, achievement and angst, City slickers jumbled with Clockwork Orange. The area has been changed without a lot of thought for the people living there. The changes have been all the more difficult for those residents of the Isle of Dogs, a wedge of land trapped in a loop of the Thames, who have lived there since before the redevelopment.

The people here, mostly former dockers or industrial workers and their families, and comprising prob-ably about a tenth of Dockland's total 65,000 population, have a peculiar insularity. The Isle is cut off both geographically and socially. It has been a recruiting ground for the racist British National Party. The Docklands dream was sold

to these people on the basis that they would benefit," said Nick Holtam, vicar of Christchurch on the Isle of Dogs. "A lot of them feel let

Such sentiments are evident on the 1960s Samuda Estate, a group of local-authority blocks about a mile from Canary Wharf. Housing officers know of at least three drug



dealers on the estate. Muggings and car thefts are common. Millions of pounds are needed for improvements such as electrical rewiring and replacing worn-out concrete.

Brian Poole, a Docklands resident for 17 years, sat in his sparsely furnished maisooette on the estate and said: "The new developments have passed the local people by. They've brought in a lot of yuppies, people with mobile phones and Filofaxes who have nothing in common with the area. As for jobs, I hardly know of anyone who's benefited."

Another long-term resident paused while fishing in the Thames, putting down his can of beer long enough to gesture towards Canary Wharf: "It's all shit. I wish the IRA would blow it up."

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Many of the Thames-side views and those of the old docks are magnificent but a lot of the buildings are a messy jumble, in keeping with the unplanned way in which the docks have evolved since the first were dug early last century. In 1879, Joseph Conrad described Docklands as a "a thing grown up, not made" whose buildings were "confused, varied and impenetrable".

The area buzzes with entrepre-neurial activity, More than 2,000 companies operate work in Docklands, double the number 10 years ago. Recent incomers include blue chip names such as Morgan Stanley, Credit Suisse First Boston and Texaco. But there is disagreement over how many new jobs have been created since 1981.

The corporation says this is 28,000, doubling the area's jobs total. Critics such as the Docklands Forum, an umbrella group of local community organisations, point out that most of these "new" jobs which have been predominantly white-collar - have been relocations from elsewhere. Allowing for job imports and those lost as traditional industries closed, the net number of new work places in Docklands may only be a few thousand.

Also contentious is how many local people have filled the new employment places: no one knows the exact figure, but it is unlikely to be more than 2,000. Unemployment in Docklands is around 20 per cent, well above the average for London. Michael Pickard, since 1992 the

corporation's chairman, acknowledged the frustration of many local people but said it is difficult to tackle this while many "have difficulty leaping the educational barrier to white collar jobs". The corporation has put £13m into local training projects over the past seven years to supplement the

efforts of other agencies, Critics say the corporation's efforts on training have been too little, too late - and that it has put insufficient resources into attracting light industrial jobs more directly suited to locals. But there are success stories. Tammy Read is 17 and has lived on the Isle of Dogs since she was five. Ever since she saw Canary Wharf go up, she wanted to work there "but I never

thought I was bright enough Helped by a secretarial course, she now works there as an office clerk for Drake & Scull, a big engineering contractor. "It's a dream come true," she said.

Janice Devereux, another lecel who is contracts co-ordinator at Encom, a TV and telecommunications company on the Isle of Bees, sald many residents take too reside view of the past, "In the 1960s we had the docks and nothing els What's happened has been for the better." Sharon Smith an "islander" who three years ago as up A&B Couriers, a delivery sarvice said: "Sitting back and moon ing doesn't get you anywhere."

As for the new wave of Dockisuds employers, Peter Corfield, a director of advertising agency Ogilvy and Mather and chairman of the 800-member Docklands Business Clini said more of them will take on locals as they become more established in the area. But Genny Sutcliffe, placement officer at the Docklands information technology centre, a training agency funded by the corporation and central government, said too few of the new employers had tried to understand the school leavers who passed through her centre. "Not enough of them seem to realise we're an East End training agency rather than an extension of Roedean (the girls' public school," she said.

Physically and socially, Docklands is a long way from fulfilling some of the early visions. It may take a decade more for the area-to gel. "We've seen the start of physical regeneration, but social rege ation will take a lot longer,

one corporation official.

Ted Johns, a former Labour councillor, is a critic of the corporation. But he remains optimistic that the area will come alive: "We've been hit by a maelstrom; it's been a hit' like the Blitz. But we're dusting ourselves down and will carry on -

17:20

we are that kind of people."

Peter Wade, an ex-docker and, since 1988, community relations manager for Canary Wharl, said: "I grew up in the docks but I can't keep the attention of my grand. children in ships for more than two minutes. We've got to adapt to the new industries - that's the future." A set of leaflets describing Dock-lands walks is available free from London Docklands Visitor Centre, 3 Limeharbour, London E14 9TJ tel: 071-512 1111 Send an SAE.

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The worries of organic growth

Nicholas Lander meets a woman who gave up commuting to sell meat from her spare bedroom

n August 1991, after 10 successful years in sales and marketing, Diane Glass decided she needed a change. At the end of a working week she went out and spent £4,500 on a customer mailing list and a large fridge/ freezer. These, she said, were her passport out of commuting.

These were the assets of Meat Matters a company that bad been founded the year before by two of Glass's neighbours, mothers concerned about the quality of the British meat they could buy for their children. BES, "mad cow disease", was rife. It seemed to them that the most practical and obvious solution was to establish a link between producers of safe, organic meat and interested, concerned customers such as their families

and friends. Meat Matters initially did not develop beyond a hobby and when one of the founders decided to move out of London the business was put up for sale. Glass, who had worked for Burton Group, as manageress of Top Shop in London's Oxford Street and as account director with design company Fitch, beard about the sale on a Friday night, visited the owners and bought it the next day.

By the week before Christmas 1993, Glass realised that she had built up a substantial business. That week accounts for 14 per cent of the company's annual turnover. To meet all of her customers' orders, Glass, four months pregnant with her third child, seconded Mel, her husband, from his computer business. They spent three days and two nights without sleep packing and delivering orders. Glass hopes that, with better planning, she can avoid a repetition of such "organised chaos" this year when she will be delivering at least 250 organic white, bronze

and Norfolk black turkeys. On the Monday after she bought the company, Glass sat down and started calling round her mailing list. "My previous experience in sales and marketing came in useful. Running a shop instilled in me a respect for customers. Working later in

pattern. Most of Saturday and Sunday were spent on the phone, pursuing orders: Mon-days were spent assembling the orders, and Tuesdays collating and passing them on to the five organic farms (all approved by the Soil Association) which are her suppliers. On Wednesday the meat arrived at her house and was repackaged. On Thursday night and Friday, Glass deliv-

Large refrigerated lorries no longer arrive in Glass's street at 5.30am

ered the orders around London. On Friday night, "I slumped down with a large glass of wine".

The financial side was straightforward. There were no borrowings and few overheads. All the meat - organic or freerange beef, pork, lamb, venison and game - is bought on monthly credit from the farms but Glass is paid on delivery by her customers.

The difficult task is convincing the customer to buy, particularly for the first time. Putting out price lists simply doesn't work because organic meat bred without additives is necessarily more expensive than meat bred on intensive factory farming methods.

"Also most people are used to buying meat over the counter where they can see it. 1 have to vary my sales pitch each week, build up a relation ship over the phone with all my customers, which I enjoy enormously."

in 1992 a competitor, Natural Foods, collapsed and Glass was able to buy its mailing list for 2500 which immediately doubled ber turnover. Over the

direct sales ensured that I past three years turnover has didn't become despondent even risen steadily from £58,000 to after making 50 calls without making a sale."

Gradually, the business grew and Glass's week fell into a steady from £58,000 to its current £122,00 maintaining an 18 per contract event and contract event after making 50 calls without making a sale."

Gradually, the business grew and Glass's week fell into a sale. The contract of the maintaining an 18 per cent

At first, Meat Matters was based in the Glass's bedroom on a spare table with a sepa. rate phone line and answering machine. By the beginning of 1994 it had outgrown the Glass household and Glass struck up a working relationship with a local butcher. He takes all the deliveries into his shop and prepares the orders to Meat Matters' specifications. This allows Glass to buy larger cuts of meat which means some savings. In turn, Glass pays the butcher £200 per week if weekly sales are more than £2,000 or 8 per cent of sales if they are less than £2,000.

This means large refrigerated lorries no longer arrive in Glass'e street. "My neighbours have been very supportive. Only one complained, quite understandably, when a deliv-ery arrived at 5.30am just before Christmas," she said.

Customers' orders are delivered by four part-time drivers - two actors, a nanny and a student - which leaves Glass free to make the phone calls and plan the company's future and her family's weekends. "We tried to broaden our customer base last year by tak-

ing on two agents in Oxford and Twickenham but this proved a costly mistake. "I'm against advertising because it isn't effective for what we sell London has the right number of well-informed customers but delivering to

them all on time is a major Droblem * The success of Meat Matters has changed the way the faulity lives. "Weekends are a nightmare as I find it difficult to switch off and this is when I must call my customers. But I do get to spend half terms and bolidays with the children which I didn't before. And I love selling meat that is safe and good for my customers

own boss." Meat Matters, 67. Woodland Rise, London N10 E11N. Tel:

and, above all, I love being my



THER 26 NOVEMBER 27 194

t was a grim coincidence a dream the

that the first comprehensive exhibition of artefacts recovered from the Titanic opened at the National Maritime Museum in Greenwich a few days after the sinking of the ferry Estonia. The fascination surrounding

the loss of the supposedly unsinkable Titanic, on its maiden voyage, was overshadowed by the shock of the sinking of a modern ferry at a cost of more than 900 lives. The Titanic went down after it struck an iceberg off New-foundland on April 14, 1912. Only 705 of the 2,228 passengers and crew survived.

Timing apart, historians and naval experts see other paral-lels between the two doomed vessels. Both were designed and built to prevailing standards but both were found

wanting.
The Titanic was launched when the number of lifeboats carried reflected the cubic footage of the vessel devoted to passenger accommodation rather than the number of passengers and crew. Its designers added a 12 per cent safety margin to the minimum required by the Board of Trade but there were still only enough lifeboats for half those on board.

A more comprehensive sub-division of the Titanic by inter-nal bulkheads – a design issue which is again baing hotly debated after the Estonia sinking in October - might have saved the liner, some experts

For 73 years the Titanic lay undisturbed, up to two miles down on the floor of the Atlantic Ocean. The prospect of ever finding the vessel and answering the unsolved mysteries of its sinking appeared remote.

But in 1985 the wreck was discovered by e joint

French-US expedition. RMS Titanic Inc, a New York-based company, was daclared "salvor in posses-sion", meaning that it had unique rights to explore the vessel and raise material.

The company has since carried out three expeditions, the most recent in July, using a submersible provided by the French Oceanographic Research Institute, It has raised a total of 3,600 artefacts. RMS Titanic is committed to

raising material from the Titanic and putting it on general display. It is pledged not to sell any of its finds. Some 150 objects are on dis-



Thinking the unsinkable

Charles Batchelor considers the modern parallels exposed by an exhibition about the Titanic, which sank in 1912

play at the maritime museum. include a ship's porthole, metal deck bench ends and a letter from e manufacturer lamenting the demise of the feather boa as a fashion accessory. Video footage taken from the

submersible shows the ship's rail, chandeliers hanging in e long-abandoned state room and racks of plates.

The chance to stage the exhibition was offered to the mari-time museum "out of the blue" by RMS, says Dr Eric Kentley, There are no plans to take

the exhibition to any other museums around the world though the maritime museum and RMS are working on designs to establish a permanent museum to display the

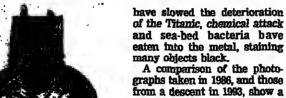
The Japanese meanwhile, have announced plans to build a full-scale replica of the Titanic to act as a floating hotel and conference centre.

All the details of its interior would be replicated although there would be no engines or steering gear.
As the Titanic sank into the

darkness of the Atlantic it broke its back and landed in two separate sections. When it hit the ocean floor the bow section ploughed into the mud, obscuring to this day the details of how large a gash was caused by the iceberg. "The technology exists to

remove the silt from the bow section but the problem is to find the capital to get the equipment down there," says John Eaton, a historian with an interest in the Titanic going back more than 45 years.

Recovery of material has been limited to the sea around the vessel, A decision to treat its interior as a grave site has meant that no ettempt has been made to raise artefacts from inside the bull. Although very few survivors of the sink-



ing are still alive "people are

very sensitive about anyone

going into the bull", comments

Dr Kentley, Eaton confesses to

finding this ban "very frustra-

Although the intense cold,

the absence of light and low

oxygen levels on the ocean bed

PERSPECTIVES

marked deterioration of the wreck, says Eaton. Dr Kentley thinks there may be as little as 10 years left to continue work on the bull before it disinte-RMS and its backers are

keen to raise more material from the wreck. However, even if a sudden deterioration was to hait work, enough has been raised to create a powerful reminder of the fate of the Titanic, and any other vessel and its crew which underestimate the power of the sea. The exhibition, says Dr Kentley: "Is a timely reminder that the sea signs no treaties." The Wreck of the Titanic. Until April 2, 1995.

The Nature of Things/Clive Cookson

New conclusions from old studies

medical researcher working on a controversial issue - say, the effect of diet on cancer or heart disease. Several clinical trials have been published, giving contradictory results. How can you make the biggest impact in the field?

The traditional way would be to raise millions of pounds worth of research grants to carry out *the* definitive study, with a better procedure and more participants than any previous trial.

An alternative approach is to gather all your predecessors' work and re-analyse their results, using a powerful statis-tical technique known as meta-analysis. This could lead to a clear conclusion much more quickly and et far lower cost

than organising a new study. The foundations of metaanalysis were laid in the 1970s by epidemiologists such as Richard Peto in the UK and Thomas Chalmers in the US. They were looking for e path through the confusing thicket of data thrown up by the proliferation of clinical trials.

Meta-analysis involves combining the results of separate studies carried out to answer the same question - for example, does eating garlic reduce the risk of e heart attack? The reason for pooling data is to iron out the chance fluctuations which can obscure the significance of individual

The conventional target for achieving "statistical significance" is a probability of more than 95 per cent that a result was achieved through the drug or ectivity being studied, rather than by chance. If the effect is real though fairly small, it may not show up in 20 studies with 300 people hat it should give a statistically significant outcome in a combined analysis of 6,000 people. A systematic review of all clinical data, including metaanalysis, is quite different to the informal reviews tradition-ally published in the medical

literature. These often miss

looking at the evidence as a collection of individual studies and dismissing the ones that do not have a statistically significant outcome.

Meta-analysis made its first big impact in 1985 when Richard Peto and Rory Collins of the ICRF Clinical Trials Unit in Oxford transformed the treatment of breast cancer by showing that a drug called tamoxifen improved five-year

survival rates. In the cardiovascular field, it was not until 1988 that the medical profession recognised the ability of thrombolytic "clot-busting" drugs such as streptokinase to save the lives

If someone had done the meta-analysis, it could have saved half a million lives

of heart attack patients. By then, 70 separate clinical trials had been carried out on e total of 47,000 patients.

Yet statisticians now calculete that there had been enough clinical evidence to prove the effectiveness of streptokinase as early as 1973, when 10 trials had taken place with 2,500 patients - if only someone had done the meta-analysis. The introduction of routine thrombolytic therapy then, rather than 15 years later, would have saved more than half a million lives world-

It would be wrong, however, to give the impression that mete-analysis is an easy option. The first essential is to draw up clear objectives for the review, with criteria for including or excluding studies. Then you have to track down the data, which may be the hardest job of all. Despite the

spread of computerised data-

bases, conducting a worldwide

search for all published studies

important conclusions by is an enormous task; there are an estimated 20,000 medical journals worldwide, many in foreign languages.

But serious reviewers must also search for unpublished studies. Otherwise the metaanalysis may suffer from "publication bias" - the tendency for researchers and journals to publish studies with a positive outcome, in preference to those that are inconclusive or nega-

Deciding which studies to include or exclude is fairly straightforward when the meta-analyst is looking at the effect of drugs. Then he or she can restrict the field to "randomised controlled trials in which the subjects are divided at random into two groups; one takes the drug and the other a placebo, and ideally neither the patients nor the researchers know which is which.

For "observational studies" examining for example the impact of diet, smoking or environmental factors on health, the eligibility criteria become harder to define and implement. And when metaanalysis moves away from health to the social sciences, there is great scope for ambi-guity and confusion.

Social scientists are turning to meta-analysis as a way of settling issues ranging from the impact of pre-school educa-tion on later academic achievement to the effect of job training on unemployment. But its use here is still controversial Some argue that individual studies are too dissimilar in methodology and quality for the results to be pooled. Most health researchers,

however, have embraced metaanalysis as a powerful new tool for fishing original conclusions out of old data. At the same time, they point out that meta-analysis does not remove the need to refresh the pool with well-designed new studies, such as the big Scandinavian trial of cholesterol-lowering drugs published last week. Medical progress will require a co-ordinated combination of

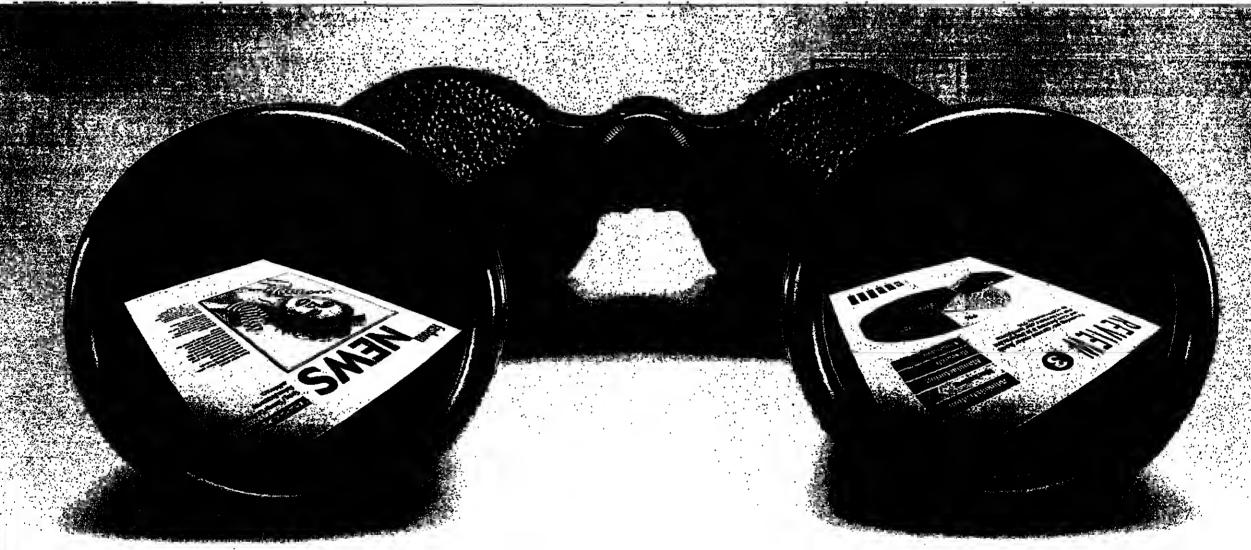


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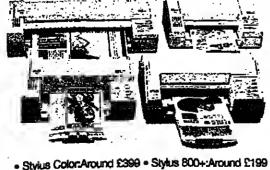
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work of large documents. They also produce smoother. graphics - with no unsightly banding.

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EPSON

Direct deals for phone addicts

Judith Gubbay calling...what service do you require?

breaks loose from the home and the office, the services you can call on it lt is 9pm on Sunday. You

have just returned home after two weeks of sun-baked ldle-ness. What is the first thing you do? If you are anything like Jane, my friend, the first thing is to open your mail. The

second is to ring your bank. Jane is a worrier, and one of suggested that ber finances were not as well-ordered as she thought. "I knew I woudn't be able to sleep until I'd sorted it out, so I picked up the phone."

Jane's call was to First Direct, the pioneer among tele-phone banking services. Had she been feeling frivolous - or more anxious about the contents of her wardrobe - she might have rung Next Directory or Racing Green for s copy of their new catalogues

She could have called Rail-Direct, to order train tickets for her trip to Leeds at the end of the month, or checked on how ber shares were doing, or booked a seat for tha Tuesday night showing of The Brown ning Version.

Ordering goods by phone is hardly new: UK consumers have been summoning pizzas and Chinese meals to their homes for years. What is new - and growing fast - is the number and range of services available that bypass the shop-front and the middleman. using special free or cheap phone numbers so that it does not matter (to you) where you are calling from. Many are open most, if not all, hours. These, coopled with increasingly sophisticated information and entertainment lines, for which you pay a premium, may transform UK shopping

The Heuley Centre's Teleculture 2000 report shows that more than 50 per cent of people in the UK are using the phone to organise their financial affairs. Some 39 per cent use it to buy from catalogues. BT's own research suggests that travelling, parking and queuing are turning consumers from conventional shop-

First Direct customers' experiences bear out the other main attraction. "I enjoy being able to pay my bills at odd times of the day or night whenever it suits me," says civil sarvant Steven Jones. First Direct confirms that Sunday evenings are a peak busi-Drawbscks to telaphona

shopping seem few; hest advice, however, is always to keep a note of your transactions and orders.

No directory of these services exists - so here, for the benefit of the unconverted is a selection of telephone services:

the telephone FREE-TO-YOU PHONE CALLS Many companies charge nothing if you want to order a catalogue. They quote a special FreeFone number, starting with 0800 (the Mercury Freecall prefix is 0500). The Free-Fone numbers listed here are for placing orders (have your credit card details handy) and

> Lands' End: 0800-220106. "Direct merchants" of American-style casual clothing;

> same number for catalogue. Twenty-four hours, seven days a week (except Christmas Day).

> Laura Ashley by Post: 0800-868100. Clothes and bome furnisbings from special catalogue; same number for catalogue

itself. Seven days s week, 8am-RailDirect: 0800-450450. Tickets, reservations, price and timetable information; journeys between any UK sta-

£10, posted first class within 24 hours. Seven days a week, 8am-10pm (except Christmas Day or Boxing Day). Talking Pages: 0800-600900. Computerised directory of suppliers of goods and services,

nationwide, who have paid to

advertise. Be ready to note the

tions, minimum ticket value

numbers. Seven days a week,

UCI cinemas: 0800-888907. Seat reservations at any of UCI's 26 cinemas; 40p credit card booking charge; collect tickets at cinema. Phone Sam-Lipm (to midnight, weekends). Out-of-hours answering ser-

FREE INFORMATION, LOCAL-RATE SERVICE

First Direct: 0800-222000 The original telephone banking service (now widely imitated). Many add-ons to straight current account handling, including ordering foreign currency couriered to your door. All banking services (on 0345-100100) 24 hours a day,

NATIONAL SERVICES. LOCAL RATES

With some centralised suppli ers, you pay only the local call rate, irrespective of where you and they – are in the country. These Lo-call numbers have the 0345 prefix (Mercury's equivalent, LocalCall, is 0645). Soma of these examples use the same number for ordering their catalogue or brochure and ordering goods; as before, expect to give credit card details if you want to order.

Dillons Direct: 0345-125704. Order books for delivery by courier within 15 days from Dillons' catalogue (from shops or this number); delivery charge £3 for orders under £35, free above £35. Phone between 9am and 5.30pm; answering machine for out-of-hours orders (leave card details, own phone number).

The Music Store: 0345-123123. CDs, tapes, LPs, post and packing free; computerised catalogue means they can track down what you want and advise on specific recordings delivery within seven days:

8am to 8pm, seven days a Next Directory: 0345-100500. Pioneering direct sellar of clothes, furniture, accessories: £3 for catalogue (unless you send it back); courier delivery

able items may be slower); delivery charge £2.50 per order. Seven days, 8am to 11pm, answer service for out-of-hours

within 48 hours (large or valu-

Portland Holidsys: 0345-951000.

Biggest direct sales tour operator in UK; this number is for the brochure (your nearest regional number, st normal rates, is the one for information, advice and to make bookings over the phone, 9am to 5.30 weekdays, 9am to 3pm Saturday). 9am to 5pm; answering machine for out-of-bours brochure orders. Eclipse Direct is

Racing Green: 0345-331177. Catalogue-based classic casual clothes and accessories: same number for catalogue itself; Parcelforce delivery. Seven days a week, 8am-10pm.

FULL-RATE Some of the businesses that deal directly with their customers by phone, cutting out agents, brokers and the like, say that the main benefits apart from convenience - is

the lower cost. With the following organisations, you pay the full price of the call, so have your paper-work to hand before you

Direct Line insurance: 081-686

2468. Car and bome insurance; quotes given, policies taken out over the phone; other phone numbers for regional offices outside London area; payment by credit card, direct debit, Switch. From 8am to 8pm on weekdays, 9am to 2pm Saturday. Guardian Direct is

Body Shop by Mail: Catalogue toiletries; credit card telephone orders. Week-

days, 9am to 5.30pm, answering

Thornton's Choc Express

I DON'T LIKE YOUR

TONE ...

0763-241444. Gift confectionery sent by post to the address of your choice; order before 3.30pm for next-day delivery; ring this number for price-list/order form and to place credit card orders. Seven days a week, 9am-6.30pm, answering machine out of bours.

There are premium-rate phone information and entertainment services to suit pretty well every taste - up-to-the-minute cricket scores and racing form guides to weather information and the FT's own Cityline.

Now that the 0898 numbers (and their Mercury and Vodata equivalents) have been cordoned off from all but those who want "adult" services (you cannot get through without a personal identification number), almost all the 20,000 odd premium-rate services are confined to BT's 0891 (and its exparimental 35p-a-call 0894), Mercury's 0839 (and its lowertariff 0881), and Vodata's 0336. If you do not want your phone used to call premium-rate services, ring 150 (free), and ask for the call-barring ser-

Travellers' Healthline: 0839 337733.

Pre-recorded information from the Hospital for Tropical Diseases; interactive service, allows you to select which parts of the message to listen

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A brush with the professionals

the would-be sophisticate is a set of make-up brushes, Anyone who has ever had a professional make-np knows that brushes are the basic tools.

Maggie Hunt, one of Britain's leading make-up artists, creator of looks for Naomi Campbell, the Princess of Wales et al, has put together a set of hrushes, each designed to do a specific job. To the uninitiated, 11 differ

ent brushes may seem a trifle excessive, but Maggie Hunt is convinced that the properly made-up face requires them all - from eyebrows to complexions, from lips to eye shading, brushes are the way to get the truly finished look.

Handles are of painted wood, the hair fine quality and a set costs £95, including a smart leather wallet. A leaflet with a step-by-step guide shows the professional way to use them. Available from Harrods and by post (£2 extra for mail order) from Lion Brush, Planet Place, Killingworth, Newcastle upon Tyne, NE12 0RZ. Tel: 091-26

Lucia van der Post



Wipe away the tears

hen Max Factor took the last solid block mascaras off the shelves, many women were disappointed. A few, possibly, shed a blackened tear at the loss of the peculiar "spit and slick" ritual which allowed them to control exactly how much mascara they applied to their lasbes. Chanel has come to the rescne with a 1990s

version of the traditional cake mascara. Le Regard (£29) is what Chanel terms monochromatic make-up; it contains an eyeshadow, eyeliner and mascara in one sleek compact - and the right tools to create the smouldering, smoky eyes that the Chanel models peered through on the catwalk.

To complete the look, false eyelashes with a difference are now available. These "One by One Semi-Permanent Eyelashes" (£3.95) have nothing in common with the 1960s variety that left women looking heavy lidded and drowsy. Tha new eyelashes can last up to three weeks and are light, waterproof, and can be used happily by contact lens wearers. Carmel Allen

■ The British Designers Sale has become a fixture in the shopping lives of many a chic lady who lunches.

Here the canny shopper often finds her designer numbers at sharply reduced prices. Unfortunately, membership of the list for the women's sale is full but there is a menswear version of the designer sales at which would-be snappy dressers can search for bargains. More than 25 top European designers (no. we

are not allowed to mention names but they are English, French, Italian, American and German) will be selling samples; ends of lines and surplus stock at greatly reduced prices – any-thing and everything from suits, jackets, ties, socks, shirts and overcoats plus (curiously) a selection of silk lingerie to gladden the eye of women who accompany the men.

The men's sale takes place fwice a year and the next is on Saturday December 3 from 10am to 5pm at the Kensington Hilton. There is a £2 charge at the door and only cash or cheques (no credit cards) are accepted.

Make way for Puffas

irst it was the Barbour a jacket that made its way from the shoulders of the hunters and shooters of the world to the

city movers and shakers. quilted Husky Jacket to make the transition from stablewear to status symbol. The Italians, in particular, embraced it wholeheartedly. They wear Huskies over their tailored jackets, keeping the chill at bay in smart street cafés.

Now is the turn of the superpadded Puffa to leave the stable and rub shoulders with its catwalk imitators.

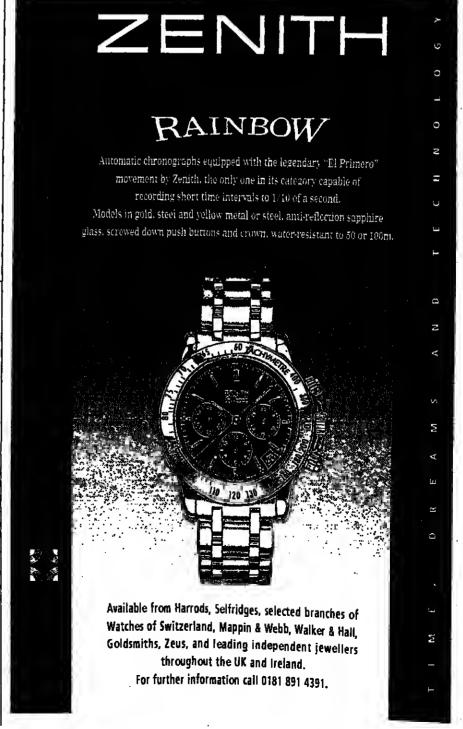
Once best-known as part of the Michelin man, the padded reworked by top flight designers from Donna Karan to Issey Miyake and is now found in svery high street store. The trendiest (and cheapest) are from Warehouse (£69.99) and Miss Selfridge (£34.95) while Next has a good one with

detachable sleeves in its catalogue at £69.99.

Those who prefer the original Puffa will find it in bright colours, as well as the traditional dark blue, at around

But the most exclusive and sought-after by far has to be the silvery, waisted version by Gucci at £350. Definitely more at home on the back of a Harley than a horse.

Carmel Allen





The conservatory as a year-round asset

Lucia van der Post on the joys of spending the winter under glass

he conservatory first became popu-lar with Victorian industrialists who, as they began to travel, developed a passion for exotic blooms and exuberant foliage and needed to devisa ways of nurturing these deli-cate plants through Britain's dreary winters.

Glass-houses were the answer and as glass becama less and less of a luxury, as techniques for casting and building with iron developed, their popularity spread among

the bourgeoisie.
As an essential ingredient in Victorian romance (how many love affairs began to bloom behind the potted palms?) and a vital part of the social life of their day, they survived well into Edwardian times.

However, as they became more accessible and attached to smaller and smaller houses, they became too workaday for the rich and gradually fell out of favour.

It was not until the mid-1970s that interest in building conservatories hegan to revive. Peter Marston, who started a company that is now called Marston & Langinger in the early 1970s, says that when be first started purveying the notion of conservatories he often had to explain "that we did not build music schools" so very unfamiliar had the idea

It remains as true now as It was in the last century that conservatories come into their own most magically during the long, grey winter months. And they offer us a means of making indifferent summers bearable, with the illusion of being in a garden, surrounded hy lush greenery.

Conservatories also make entrancing settings for parties - summer or winter - and now that they are once again in fashion (after the en-suite bathroom and the hand-painted kitchen, a conservatory, it seems, is next on the home improvement list) there is a

or Puffa

1 James Alex



Room for all seasons: warm tones, rugs, throws, cushi



proliferation of accessories everything that the welldressed conservatory requires.

For those thinking of embarking on building a conservatory or for those who already bave one but are looking for ways of improving it, Peter Marston has written an authoritative guide: The Book of the Conservatory*. He also has some excellent ideas for making them an all-yearround household asset.

The most important relate to double-glazing and heating,

essential for those who want a tropical illusion in the midst of a British winter. The Victori-ans went in for vast boilers and radiators and seemed to have been blessed with a happy unconcern for heating

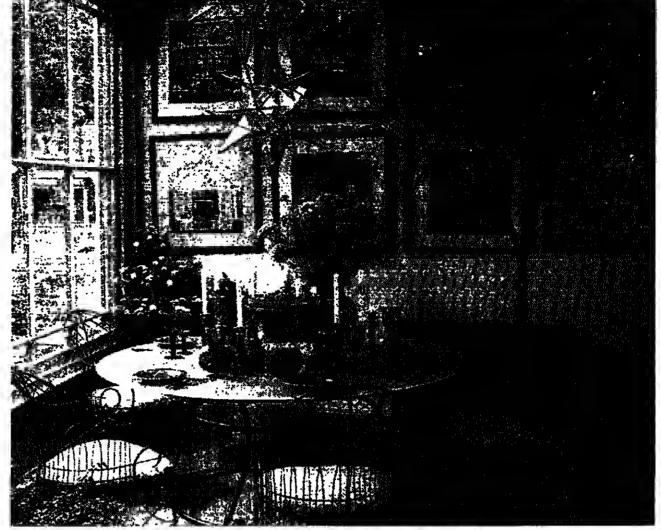
These days double-glazing and insulation are the key, if beating costs are not to be astronomical. All that should then be required is a simple extension of the domestic central heating system - ideally with separate controls so that the conservatory can he heated independently at night. Under-Goor heating is ideal and Mar-ston & Langinger has developed a system which uses extremely elegant cast-iron floor grills, wonderfully remi-niscent of the intricate ironwork that so characterised those first Victorian designs.

As the winter nights set in, the sense of summer coolness and light can be replaced by a cosier feel with rugs oo the terracotta or stone flooring, cushions and throws can be added to sofas and chairs (see the photograph here) and hlinds which in the summer keep out the glare can, in winter, be used to keep warmth in.

For winter evenings and parties, there is nothing more beautiful than candlelight but lanterns are probably safer and there are plenty to choose from. Peter Marston developed a range of furnishing accessories specifically for conservatories, because so many of his customers found that once they had the structure there was no single source of appropriate accoutrements.

The Marston & Langinger shop at 192 Ebury Street, London SW1 is one of the best places to start looking. Here are lanterns of every kind, from the pumpkin-shaped one photographed here to the hanging star or the Moorlshinspired version.

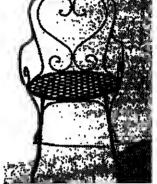
The shop also offers the wickerwork furniture that seems appropriate for a light-filled setting, with the throws





Wrought-iron dining-chair in dark green with tie-sided cushion, £180

and cushions that will transform it in winter. But for an inspirational glimpse of the extra dimension that a welldesigned and enchantingly fur-nished conservatory can add to living, I recommend Peter Marston's book - the colour pic-



Replica of a 19th century French

tures are inspirational. They feature every mood from sunny cool and tranquil through to exotic, rich and intricate.

Particularly useful is the glossary of suitable plants and how to look after them, the



and entiqued metal, £220,

practical advice on the things you really have to get right from the beginning - such as flooring, heating, double-glazing - and the lists of designers, builders and suppliers of furnikets and all the other trap-



Wall-mounted Davey lantern, hand

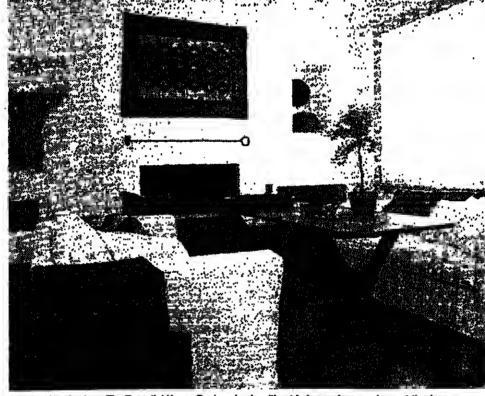
pings that the new owner will find himself obliged to huy. *Published by Weidenfeld & Nicholson, 176 pages, £18.99, available by post from Marston & Langinger, George Edwards Road, Fakenham, Norfolk NR21 8NL Tel: 0328-864933.

Home in on the basics

Lucia van der Post on Conran

hen the House Book by the then Terence Conran came out in 1974 I was in the midst of doing up a terraced house in London. I and most of my friends, seized upon it with relish, for here at last was a book that seemed to speak to us. Here was a book that addressed the everyday problems of making a house work without the irritating assumptions so prevalent in the glossy interior magazines of the day that we eithar aspired to images of ancestral grandeur or suburban cosiness. fit offered a vision of a con-

temporary way of living that related to our lives and incomes. But above all it showed us the virtues of simplicity, of investing in basics



basics were right.

take care of itself provided the

In some ways there seems

scarcely any need to update it,

right, the heating, the flooring first. Styla, or the addition of the more movable elements such as furniture, curtains, pictures, lamps and all the rest, ran the subtext, could almost

The Carrosse Collections

such as the structure of the house, of getting the lighting

so classic, so fundamentally sensible is the advice. But Sir Terence has just produced a bigger, equally well-ilustrated 1994 version which he calls The Essential House The fundamental philosophy has not changed. Here, for instance, are a couple of para-graphs from the introduction:

"A home is greater than the sum of its parts and getting the practicalities right is only half of the story. For most people, the special significance of 'home' lies at a deeper level. Home is where we feel at ease, where we belong, where we can create surroundings which reflect our tastes and pleasures. Creating a bome has a lot to do with discovering those elements that convey a sense of place. "Investigating these basic ideas relegates 'style' to some-

thing of a side issue. Fashions in decorating fluctuate like hemlines, whereas notions of comfort and intimacy date back hundreds of years. This is not to say that style isn't fun or even useful. But it is ultimately more important to find out what you really like, the unique combination of space, light, colour and materials which will continue to refresh your spirits long after the latest 'look' has had its day."

would be invaluable to any body setting out on the adventure of creating a home. It is illustrated quite beautifully with pictures that are imhued with a relaxed and undidactic approach to matters of taste and style. If they have a common thread it is of light and air and an unstuffy approach to the business of turning a house into a home.

The pictures show, hetter

than almost any words, that there are no "right" and no

"wrong" ways to furnish. Instead what we have in the late 20th century is as vast a choice as it is almost possible But quite apart from the inspiring pictures, practical issues are tackled - from how to make a kitchen work for you (and the kitchens featured

ranged from small and mini-

malist to a large family living-

room-cum-kitchen) to how to deal with the vexed matter of significant spatial change. Even for those who already have bouses they are satisfied offer. Its directory covering the practical subjects such as lighting, flooring, plumbing, paints and plaster is filled with useful information, and the list of useful addresses for everything from brass door furniture to

price alone. The Essential House Book by Terence Conran, published by Conran Octopus, 272 pages, £25.

architects and security alarms

makes the book worth its cover



LE TEMPS CHANEL

IB CARAT GOLD WATCH BRACELET OF CULTURED PEARLS ON FINE GOLD CHAINS SWISS CRAFTSMANSHIP

CHANEL BOUTIQUE 26 OLD BOND STREET LONDON WILL CHANEL BOUTIQUE 31 SLOANE STREET LONDON WI MAPPIN & WEBB REGENT STREET LONDON WE GEORGE PRAGMELL LTD JEWELLERS STRATFORD-UPON-AVON WATCHES OF CHITZERIAND I OLU BOND STREET LONDON WIL WATCHES OF SWITZERLAND IT KING STREET MANCHESTER A reputation for bags of talent – but an attitude problem. Avril Groom reports on the growing pains of Britain's young designers

and Harvey Nichols, Knightsbridge, SW1. d black satin shoes, £229 from Emma Hope, Amwell Street, EC1. Earrings, £10.95 from Ferwick, New

oung British design-ers bave bags of talent and the whola fashion world acknowledges lt. of creative over-confidence and a cavalier approach to production and deliveries, in an industry notoriously run on a shoestring, was for years the

One wealthy businessman for achieving a near-miracle. They are producing serious, ers during the 1980s will no longer touch them, preferring spend his money on established foreign names who deliver wearer-friendly clothes when they promise them.

Perhaps it is time for him. and others of his ilk, to look again at British talent. Hard economic realities have created a new attitude of down-to-earth

out with a rigorous, profes-sional approach while others have learnt by bitter experiwhen a student designer could sell an outrageous graduate collection straight off the college catwalk and not worry about details such as production schedules are long

The best deserve an ovation well-made clothes with enough wit and originality to attract the sophisticated woman with a deep pocket, even when her eye is jaded by an overcrowded design market. And despita tight cash-flows, they deliver

on time and up to quality. None of them finds it easy. Listening to their stories, one wonders what would possess

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discipline among the anyona to start a fashion upand-coming. Some have set design business in Britain today. Presumably the creative distant fortune are strong. And nentag Mulligan and Paul Frith have gone, in four seasons, from young unknowns to seeing their names in lights at top London stores - Liberty, Harvey Nichols and Way In at Harrods have been particularly

> Liberty sometimes helps designers offset the cost of a first collection hy paying for the fabric. Owen Gaster's first full collection so caught the imagination of Japanese buy-ers that its proceeds have financed the next one.

Other young designers, how ever, suffer from problems and prejudices. Provincial British shops are still made nervous by comments such as the one

from a New York buyer who recently declared that she had twice ordered from a talented British designer, but had not

received a single piece.

Prejudices rub off on some designers who ill-deserve it. Often they are expected to be late and ill-organised because some of their contemporaries still believe that showing in a seedy, inaccessible corner of London in the middle of the night is a smart way to display their creative power.

The only way designers can show that they are now grown up and have given up such follles is hy cleaning up their

Sonnentag Mulligan and Paul Frith both had their hy mid-August, well before they were needed. Nicholas Knightly's spring show of soft, perfectly-executed jersey dresses, fine wool Guernsey sweaters and pale striped cotton pyjamas was in a sensible central London location and started well on time - a statement of intent after several erratic seasons.

Designers are rarely husiness brains as well, and finding the necessary adviser is difficult. Getting financial backing is even harder and cash-flow problems are endemic - the time-lag between investment and payment is often longer

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Deep grey wool cost with hook fastenings, £450, gunmetal wool/ polyamide waistcoat, £170, and trousers, £221, all by Sonnentag Mulligan from Harrods' Way In, Knightsbridge, SW1. Black suede shoes, £170 from Stephane Kélian. Opaque tights

than the stores would counte- ated in 1991 with prodigious

Some new designers find ways to counteract this. Clinton Silver, chairman of the British Fashion Council is husy arranging "marriages" between designers and companies. This is not, he says, to "control the designer's business" hut to "help give them more exposura and also the henefits of experience. In return, the designer's consultancy input can raise the man-

Hair and make-up: Helen Frampton for Ellishelen, Walton Street, SW3

ufacturer's fashion profile and thus contribute to improving design standards in the high

Barhara Sonnentag and Tracey Mulligan's arrangement with the Stirling Group, a Marks and Spencer supplier, resulted in their recent first solo show, which, with vibrant colours, innovative fabric mixes and sharply glamorous shapes was one of the toasts of London Fashion week.

We now feel confident in developing a bolder, slightly younger direction," says Barbara. They are not forsaking the high-quality, wearable tail-oring on which their reputation has been built, however, because we have to compete with a lot of better-known

The quality of their understated, slimly-cut autumn suits in mixes of matt and slightly shiny neutrals is remarkable considering they are their company's only full-time employ-

Nicholas Knightly says he keeps the small factories he uses happy by trying to be a good customer" - unexpected for a young man who gradu-

talent and an ego to match. His first collection, of white shirts and denim, was bought by Harvey Nichols. But he had little husiness experience and false starts and broken contracts fol-

tering cutting has brought consultancies from commercial companies, one of which now keeps him and his full-time assistant "on the straight and narrow". A small autumn collection of favourite shirts - the deceptively-simpla one we show was designed three years ago - and private orders will be followed by full-scale deliverles for spring and he will also design a range for the Stirling Cooper group.
Paul Frith has as yet to

His talent for feminine, flat-

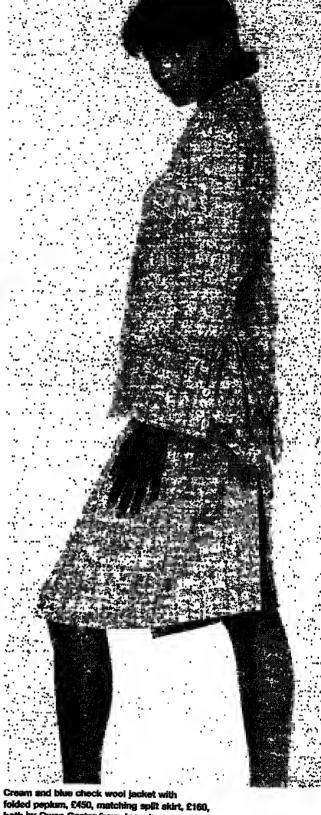
make such a commercial link hut hopes his efficient system will attract an investor. "My business manager and accoun-tant both have other jobs so most of any investment would go into the company, not overheads," he says.

In a previous life he was a Royal Marine, and the discipline shows. He worked in bars to fund his first collection, he uses plain, classic fabrics -wool crèpe, silk satin and, for spring, cashmere and chiffon so supply is not a problem, and be tracks down small factories which can produce the quality finish he demands for his very simple, body-skimming, taste-

fully sexy shapes. Owen Gaster is a new boy on the block who has only shown two full collections but his attitude is promisingly serious. He sold his graduation collection to finance a tiny private-order business and perfected tradi-tional hand-finished tailoring techniques by studying construction of vintage jackets.

Earlier this year he held his first, self-financed, show. It resulted in a Japanese agent who found 15 stockists for his





both by Owen Gaster from Joseph, Brompton Cross, London SW3, or to order

glamorous tailoring which is precision-cut on a dummy rather than sketched "because" well-run husiness starts small and takes time".

It will be interesting to bodies aren't flat". He says he designs for "mature, elegant women" and demands a suitahly high quality from his small factory and out-

The lessons which these designers learn as they prog-ress may prove instructive in the future. Gaster bas leapt boldly into exporting after finding that "you cannot survive on British sales because this is such a small market. Real business is done abroad." Frith dis-

It will be interesting to review their respective positions in a year. Barbara Sonnentag has learnt the bitter lesson that "it is very hard to make money in this business" but remains optimistic.

Knightly's comments reveal most about the attitude with which young designers start out: "I've learnt that designing is a job, not a hobby, and now I ilsten to what my customer wants." He, it seems, has learnt humility, which in the world of fashion is the most agrees, having learnt that "a important growing-up lesson.

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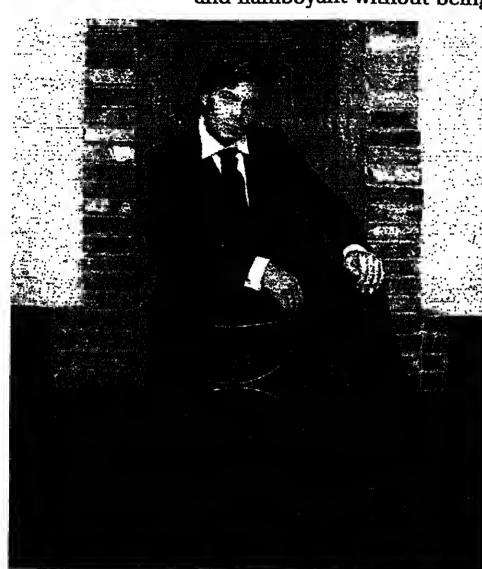
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Charles Blak 27 1994

Inspirational evenings

Heath Brown offers some advice to men on how to be cosmopolitan and flamboyant without being flashy or vulgar



Navy and claret velvet smoking jacket, £395, white marcella front dress shirt, £55 and navy velvet evening the control of the slippers, 279 all by Hackett. Navy velvet trousers £94 by Designworks 19 Avery Row, London W1. Claret allk



The modern man has been able to shelter behind the pro-tection of regulation "kit" for too long, and has excused himself from using his clothes as a means of self-expression. He may fear the freedom that comes when the rule book is thrown away.

If a gold-edged invitation elry, but black tie is not obliga-

tory, what is a chap to do?
He is going to have to think
for himself. If he cannot take refuge in his dinner jacket, wants a change from his office suit and feels jeans and a

tie can look ridiculous in more relaxed settings, but has been overcome in the shires by a touch of the flamboyant and eccentric. A gaudy mix of



Wine-colured waistcoat, £190, by Georgina von Etzdorf, Creem shirt by

plaids with rich velvets and your personal style is not too silks brings a cosmopolitan flamboyant, invest in a single male flamboyance to provincial waistcoat. If you are feeling parties that is rarely seen in more adventurous you could go for a jewel-coloured jacket, Highland castles stage col-ourful balls and Gloucestera romantic cravat or even a complete velvet or brocade

If you are in doubt as to how

to put it together take a look at

the photographs here and

think back to the inspirational sources of the current mood -

shire manors host parties at which men are decked in vibrant splendour. This Regency flair for male sartorial elegance has survived in rural Britain and looks set to return to the city too.

City men should not take fright. Many of the looks on offer may have a distinct touch of the romantic about them, with more than a touch of homage to Byron and Shelley, but the best are thoroughly masculine, using fabrics and accessories that are richly sen-

sual but boldly Gothic. Favourbrook, the gentlemen's outfitters, off London's Jermyn Street, says it is selling more individual evening clothes for men. "The velvets and brocade jackets and waistcoats we produce have been selling much more lately and not just to a few young snappy dressers," says proprietor Peter

Vayner. From elderly judges to successful young city executives, men in search of a little colour have been updating their evening wardrobes with velvet jackets and elaborate silk moiree waistcoats. At Favourbrook, traditional tailoring is mixed with sumptuous fabrics, both contemporary and period in design, to create menswear that is highly individual - a personal statement rather than a run-of-the-mill uniform.

It is this notion of personal statement and a sense of indi-viduality that should be aimed at when choosing men's even-

ing attire – a display of healthy flamboyance. Robin Dutt, Bon Viveur, art critic and style guru, is a great And it is with evening wear that he sees a chance for men to let loose. "All stiff sartorial rules can be broken when it comes to men's eveningwear, says he, "but it has to be done with panache, with a certain soignée elegance." He mourns the sobriety of black tie and urges men to invest in at least one sumptuous evening garment in rich velvet or luxuri-

Velvet seems to be the fabric of the moment and it comes in many shapes and guises from the traditional smoking jecket to the high collared Nehru.

Neck fastenings can be experimental and relaxed with variations on cravet ties or collarless dress shirts with studs, or velvet and satin shirts left casually open beneath layers of brocade waistcoats and velvet

The overall aim is to bring some life and colour to the evening scene, to revive the traditions of old, to learn again to couple fun with a touch of the eccentric and to add a dasb of romanticism.

However, remember that you must feel comfortable with this new look. So do not choose something so wild that you will feel ill at ease. It must be you. After all you do not want to admire it only in the wardrobe. You could, if you feel



Purple jacket with Nebru collar, £370 by Favourbrook. Tunic, £55 and black and silver dress studs, £18 both by skett. Gold silk brocade trousers, £370 by Yves Sakit Laurent-Rive Geuche, Cummerbund, £70, by Georg von Etzdorf, 50 Burlington Arcade, London SW1 and Barney's, New York, Black patent shoes by Hackett

Byron, Shelley, Beau Brummell, the Duke of Windsor, Indian Maharajahs, Gothic novels, the films Dracula, Frankenstein (although avoid the overly sinister) and Les Liaisons Dangereuse.

Places to look: Favourbrook, Piccadilly Arcade, Jermyn Street, London W1 for off-the-peg and made-tomeasure one-offs and off-beat tailoring.

■ Yves Saint Laurent Rive Gauche, New Bond Street, London WI for fabulous men's brocade suits and "le smoking" jackets.

Harvey Nichols, men's contemporary department, Knightsbridge, London SWI has e wide modern collection of velvets (look particularly for those by Moschino).

Shani Zion ■ Simpsons, Piccadilly, London, W1, for traditional smok-Styling assistance: Ruth Phillips

Paul Smith, (there are

nationwide stockists) has mod-

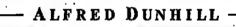
ern variations on velvet and

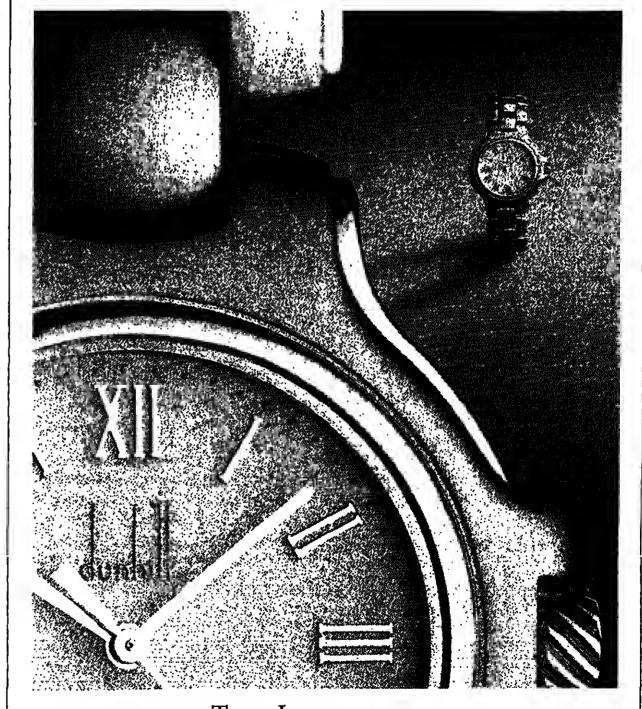
Good secondhand shops.

Photographer: José Aragon

satin shirts and suits.

Stylist: Heath Brown





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INSTRUMENTS FOR PROFESSIONALS

HOW TO SPEND IT: THE ELECTRONIC AGE

Techno-toys – not just for the boys

Alice Rawsthorn keeps an eye on the electronics products that will be hitting the high streets within the next year or two

the digital age but to most of us the electronics world is as chaotic and confusing as ever.

After all, who wants to risk becoming one of those apocryphal "friends-of-friends" who spent thousands of pounds on an early fax machine or who bought a Betamax video.

That said, there has never been a better time to treat vourself to a new set of techno-

The combination of economic recession, fierce competition and pressure from newly-wired consumers has forced the big Japanese electronics and US computer companies to sharpen their acts.

Prices have fallen; styling is slicker and the latest electronic devices are also easier to use. After a lean period for innovation in the industry, a stream of electronic products will be arriving on the market in the next year or so.

Televisions

The humble TV set is one of the main subjects for innovation. For years the industry assumed that high definition TV, or HDTV which offers superior sound and image quality when compared with conventional television, would be its hope for the

However, HDTV is years away from being launched in the US and Europe, where the industry is still deciding on

standards and specifications.
It is available only in Japan and has not caught on there because of high prices - a Sony system costs Y600,000 to Y800,000 (about £4,000-£5,000) and a shortage of program-

Instead, the big hit in Japan is the wide screen. When they were launched three years ago tha industry saw them as a cult product that might appeal to movie buffs, as the screens have the same shape as a cinema screen. But wide-screen has become a surprise success.

It accounts for one in five of all the televisions sold in Japan. Now, it is coming to Europe in the guise of the new generation of PALplus standard televisions.

Nokia is in the lead, having launched a 28in PALplus set for £1,500. Michael Grade, chief executive of Channel 4, has already bought one.



Sony, Philips and Grundig are now finalising their PAL plus launch plans for early

Games

After racing ahead in the late 1980s and early 1990s, the video and computer game market has reached a hiatus over the past year or so, as games fans have awaited the launch of the next wave of 32-bit and 64-bit

compact disc-based games. The new games are more powerful than the old 16-bit cartridge consoles. They also offer digital sound, three dimensional graphics and cinematic visuals.

"They're streets ahead of their predecessors," said one expert. "Playing a 32-bit football game will be like staging your own Match of the Day with the crowd chanting in the background."

Two of the first 32-bit games machines, the Sony PlaySta-tion and the Sega Saturn, are going on sale in Japan this month and in Europe next

innovation is Nintendo's superpowerful Ultra 64, which is twice as powerful as the 32-bit

games machine and will cost \$200 when it goes on sale in the autumn of oext year.

New Music Media

After the success of compact disc, the electronics industry is eager to move to the next new medium. The hitch is that no one seems able to agree exactly what the new medium will be. Philips and Panasonic have

joined forces to develop the Digital Compact Cassette. which they see as a logical successor to the analogue cassette as it is smaller and more durable with digital sound quality.

Sony and Sharp are pinning their hopes on the MiniDisc, a miniaturised version of the compact disc that offers the same advantages of random

smaller, recordable format. All four companies claim publicly that sales are on target. Privately, they admit that the process of their new prod-ucts is scarcely scintillating. One of their smartest competitors, Pioneer, is playing safe. It sees DCC and MD as

"intermediate technology" and is concentrating on developing a miniaturised blue laser disc system which, it hopes, will be the new medium for the 21st

Compact Discs

access and durability in a Yet another battle is brewing over the format for the next generation of compact

There are now three competing formats on the market. So far CD-ROM - the interactive disc that combines text, graphics and sound - looks like the winner particularly in the US where Microsoft has been playing on parental con-sciences by selling CD-ROMs as educational aids, notably

The competing formats are CD-i, the interactive compact discs developed by Philips for use on dedicated consoles that cost from £299 and plug into television sets, and 3DO, a topof-the-range games system.

Confused? Just wait until video CD comes on stream. This is the new genre of disc that plays films, just like a video tape, as well as music. Video CDs are already trickling on to the Japanese market. But most manufacturers are loathe to mount full-scale

launches elsewhere until the

industry has resolved the tim-

with the current crop of 74minute discs - which are long enough for albums, but not for feature films - or to develop an expensive new digitallycompressed format.

Computers

Main themes in the computer market over the next few years will be integration and miniaturisation. Compan has led the field in integration with multimedia machines that operate as CD players, PCs, fax machines, CD-ROM drives and even telephones selling for \$1,000 in the US, or for around £1.100 in the UK.

Sony is making waves on the miniaturisation front with the Personal Intelligent Communicator developed in conjunction with AT&T.

The PiC, which sells for \$995 in the US, is a portable gadget, the same size as a Filofax, that functions as a fax, database and an E-mail machine. It is available in the US only, although Sony hopes soon to launch a similar format in

Global positioning systeme

If anything can claim to be the techno-treat of the early 1990s it is the global positioning sys-tem, the hand-held devices that enable the user to plot where they are and where they want

to go. Philippe Starck, the super star French designer, uses his in his private aircraft.

The GPS is still seen as something of an indulgence in Europe, but in Japan it is rapidly becoming commonplace. The must-have accessory is a digital map, or in-car global positioning system; a CD-ROM drive is tucked away in the boot and a map of the route flashes on a dashboard screen.

Sony sold 90,000 Digital Maps last year and expects sales at least to double in 1994. Its latest ruse is a Y400,000 digital map with a real-time traffic information system that uses a cellular phone link to warn drivers of jams ahead. Sony hopes to start with the digital map in Germany, in April.

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Meanwhile, Pioneer is working on the next generation of in car hardware which, it hopes, will offer an on-line digital map, a CD player, radiocassette and cellular phone all in one machine.

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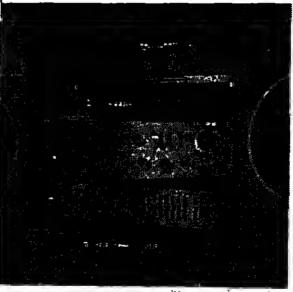
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Mark Mark Mark 2 log

Computers

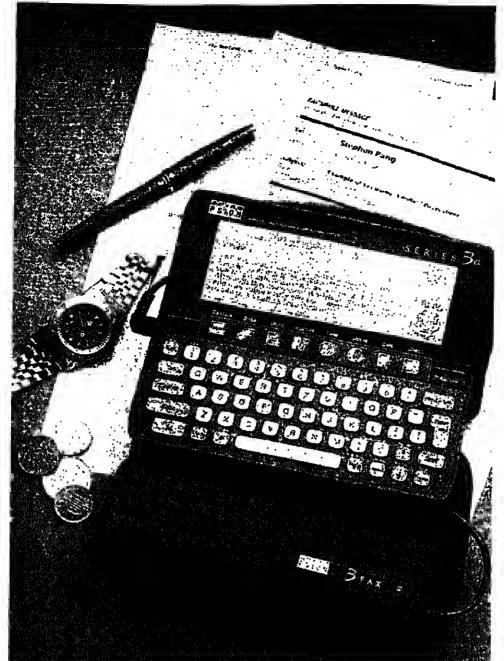
Global positioning

- 100

\$ stems

Standard

HOW TO SPEND IT: THE ELECTRONIC AGE



The Psion 39: for restoring order in your life

Money to burn? Then think electronics

Do not blink or you will miss the latest technology, says Michael Horsham

so far and so fast in recent years that you can now take your pick from large quantities of techno-toys that, a decade ago, would have existed only in the darkest corners of Q's labora-tory on a James Bond film set. If money was no object, and you were free to choose from the very best of the techno-toys around, regardless of price, which products could, or

sbould, you buy? Night vision a problem? It does not need to be - not with a hand-held, thermal imaging device. Pysis makes a one-eyed version with a hefty Fuji zoom lens for £900 or thereabouts. You see things in a fetching shade of luminous pea-green: handy, if you happen to like that colour. The bonus is that its ergonomic shape means von can hold it with one hand. A pleasure to use.

The pleasure principle is to be found everywhere in the design of technology. Arguably, there is no product area apart from car design that has in the understanding of product semantics than the com-

If you feel the need for an electronic organiser to put a little order into your life, the Psion Series 3a is well worth a look for its chunky feel and robust usability.

A snip at £329.95, it comes

Paging is perfect and small is beautiful

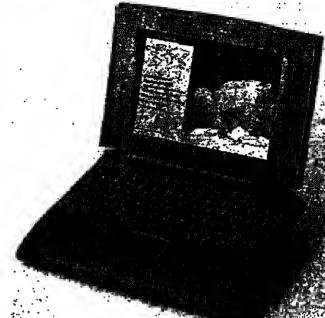
A variety of fads are catching on around the world. FT writers report on what is happening where

cards and the necessary leads. For tougher tasks, you will need a bigger, beefier computer which is also enjoyable to use. The top-of-the-range Apple Macintosh Powerbook 540c4/ 320 costs a shade over £4,000 and plays a nifty game of com-puter golf as well as dealing with all the organisational material you would want it to

One of the nicest things about the most expensive Powerbooks is that you get a trackpad, rether than a ball, as the control for the computer. Your fingertips simply trace a direcpiece of plastic. How it works is a mystery: but that is half the pleasure of owning such an expensive machine. Another exercise in unadul-

terated extravagance would be an Ericsson EH237 portable telephone. It is a nicely compact piece of design with all the fully-featured functions that you would expect from a miniaturised communications centre. The hitch is that 'the EH237 rockets in price if you huy it without a connection. With air-time, it costs less than £100. Without air-time, it is

Another terrific little toy is the Sony Pixis IPS 760 (£1,299). It is a hand-held giobal positioning system that tells you more or less exactly where you are at any time - within 30 to 100 metres. Take a map, use it



and longitude of your friend's country house - and the device will tell you exactly how far away you are and what direction you should take.

The Pixis is a pleasure to hold and to play with. But it is about twice the price of some rival makes, which will give yon just as accurate a position. Let us assume that the position your Pixis has given you

mall is beautiful, it

consumers of gadgets

seems, to French

and gizmos. From

mobile phones to cars,

miniaturisatioo is the

room watching television". Technology has hrought us to a stage where the choice of

sets available is bewildering.

If you want to see the pictures as the cameraman and the production team see them when they are working, you could do worse than invest in a professional broadcast monitor, The Sony PVM 1444 QM (£1.499) is the one to look for.

it? Try the Sony S-VHS SVO 9620 Pro-Recorder (£2,750). It has the same chunky aesthetic as the television set and, with its no-nonsense functional

quality, is built to last. Camera? The Canon EX-2 Digital Hi-8 (£6,999) has more buttons than a deep-sea explo-ration vehicle and looks suspiciously like one. The Sony Hi-8 Pro editor Twin-deck Video Player (also £6,999) should complete the set.

For those who prefer some thing a little slicker, Bang & Olufsen, of Denmark, has been making the sound and vision equivalent to the De Lorean car for years. A completely expandable, modular Beosys tem - including a television with motorised stand and interior screen "curtains", huilt-in video and several speakers delivering spooky, surroundtype sound - would set you back nearly £10,000.

If you wanted to add a huge, compact disc player, Sony's Unilinear Quadruple D/A Converter System D/A Mastar Clock Twin Optical Linkage CD Player is £5,000.

All this is available off the shelf for the modern technologist with money to burn. Then there are the custom-built techno-toys where the price of a simple stereo and speakers can begin at £100,000. But who wants to wait for delivery when technology is moving so fast and dragging design along

ew Yorkers are no techno-freaks. This is a city, after all, where the latest in retro-fasblon dictates that owning a rotary telephone is

humble pager is so popular among Wall Street's top traders and investment bankers. Admittedly, today's pagers, with their liquid crystal dials that transmit detailed messages and information are no longer quite so bumble.

mobile phone because of its lack of inter-activity. A quiet buzz and short message seem less intrusive than a shrill

This low-tech approach to life might explain why the

Yet, Wall Streeters seem to prefer the pager over the

top bank said recently: "You see guys walking in here wearing a \$2,000 suit and a pager clipped to their belt." You can, of course, still spot

As one bemused executive at a

the occasional Armani-suited executive with a notebook computer, but the more tuned-in techno-freaks will probably be armed with the new line of personal communicators such as Sony's Magic Link or BellSouth's Simon. These band-held contrap-

tions are a phone, fax, pager, E-mailer, scheduler, address The sight of millionaire book, calculator and note-pad bankers using pagers still sur-prises some people, however. all rolled into one small, if Then there is personal pro-prises some people, however. slightly bulky, box. The Simon jection television, the latest all rolled into one small, if

costs around \$600 and the Magic Link \$900, and both are becoming popular in the media and fashion businesses.

Gothamites, bowever, are not immune to the lure of the high-tech gizmo if it allows them to enjoy a little "down-time" now and then. The SoHo art crowd probably gets a kick ont of Brooklyn artist Todd Robbins' Sound Toy, a software program which allows art-lovers to inter-act with his work via their computer screens, creating their own mix of music and images from an electronic canvas.

Then there is personal pro-

fad among those who cannot bear to leave the box. PPTV consists of a pair of glasses with built-in beadphones. A signal from a TV-tuner belt pack projects an image on to the inside of the glasses.

The technology most eagerly awaited in New York is the in-car navigation system, on test in California. It is intended to ensure that drivers never get lost. Once it is in place, all that will be required is a product that translates the cabbie's words into English and provides antomatic

Patrick Harverson



are the new wave of personal digital

assistants, such as Sharp's pen-based

This trend has led many Japanese

companies to concentrate more of their

resources on information technologies

entertainment software or information

through communications networks, or

keep large amounts of information in

Pioneer plans to link with two other

companies to provide karaoke services

down the telephone line, while Sony is

These include Telnavi, which allows

incorporated into a television unit that

Michiyo Nakamoto

Zaurus system, and increasingly

that will let consumers receive

focusing its energy on products

the user to access a car navigation system through a CD-ROM drive

also plays regular music discs.

merging information with

entertainment

digital storage media.

popular cellular telephones.

buzzword for plugged-in Nowhere is this more evident than in the case of the Bi-Bop portable phone. Weighing less than 200 grammes, the hand-set is small enough to

slip into the owner's pocket. The Bi-Bop was launched last year and is available only France Telecom, the company behind lt, has more than 70,000 subscribers already.

The system has its limits. one being that callers need to be within range of a transmission sub-station. But unlike Rabbit, Bi-Bop's failed British counterpart, there is an adequate number of such stations in the launch cities. And Bi-Bop is expanding: from



Another hit is the mini-car the vehicle sans permit.

Unknown to many foreigners, France is home to a handful of companies that produce small cars which can be driven by motorists who have not passe the rigorous driving test.

The appeal of these is not just for the young, who may fancy a roof over their heads rather than braving the elements on a moped. The VSP is also aimed at motorists trustrated at failing to find parking spaces. One manufacturer, Microcar, has sold more than 40,000.

VSPs are unlikely to set the pulse racing. With engines of about 50cc, or electric motors. they struggle to go faster than 30mph. But they can be driven by 14-year-olds, and they are easy to park, which gives them

Yet the French remain attached to some tried and trusted gadgets, albeit in updated form. One is the Minitel, the teletext system offices and households.

It has been given a new lease of life since the introduction this summer of a faster model. The Minitel à Grande Vitesse, as it is known, operates at 9,600 bytes a second (eight times faster than its predecessor), allowing the transmission of images through the network.

John Ridding

be must-have item for any trend-conscious Californian teenager these days is the pocket pager - preferably in this season's colours of bikini blue, hot pink or a see-though "ice" shade. These matchbox-sized devices may have begun life as a communications tool but they are now seen as a fashion Item. Teens are also hot on pager accessories: bungee cords, gold chains and special clip-on cases are all the rage. The coolest choose a pager in one colour with a holster in another.

Pagers had a bad image until about a year ago, because they were said to be used by drug dealers and their clients. Attitudes have changed. While many high schools still have an official ban on pagers, administrators are turning a blind eye to a trend that is too big to

Teenagers are not the only age group catching on to the pager trend. Pagers are also becoming the communications tool of choice for "bahy boomers" looking for affordable ways to stay in touch with their ageing parents and bahy-sitters. But surveys suggest that teens are three times more likely to carry pagers than others.

The appeal of a pager is clear for a generation of Californian youngsters which typically spends more leisure hours on the telephone - local calls are free - than watching television. The pager is, after all, the next best thing to a mohile phone, which few of them could afford. In California, a simple pager that

accepts numeric messages costs about \$70, with a service charge of \$10 a month. A cellular telephone typically sells for \$160, and monthly call charges can mount quickly to \$100 or more. It is, however, parents who buy most of the pagers that are touted around by teenagers - and they have self-interest in mind. The pager is a high-tech way to lengthen the parental apron strings



or John. The new house rule for the Californian teenager is: "When I page, you call home."

In a society where parents double as taxi drivers for their youngsters because there is little public transport, pagers are an asset when plans go astray. Low-cost paging services, of the sort

used hy most teenagers, are designed to transmit only numeric messages, normally a telephone number. But youngsters have worked out codes to make the most of tha system. Mother's code number is always 303

which, turned on its side, looks like mom. The girl/boyfriend code is 143 the number of letters in the words "I love vou". For the lovelorn, the code 1 1717155 00

means "I miss you" hecause, when those numbers are squeezed together, they look a bit like the words.

Louise Kehoe



functions such as memory storage and electronic products in Japan reflects a definite trend away from conventional audio-visual equipment, although there

are some exceptions. Sharp's Viewcam - a video camera with a liquid crystal display view-finder that allows the user to watch what is being filmed on the spot - is one rare example of continuing success in a tried-and-tested product sector.

Another is wide-screen television sets. These have been on the market for only two years but have claimed a large slice of the market already. Sony says they will represent 30 per

cent of overall television sales this year. Yet, while wide-screens have been enormously successful, some companies wonder if they will ever become a block-buster hit on the same scale as the Walkman or video recorders, rather than simply being replacements for old

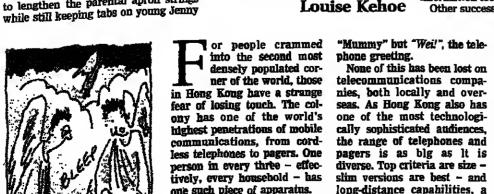
Most of the present hits in the Japanese electronics market reflect the hlurring of the old boundaries between consumer electronics and information

One of the most popular new products is the car navigation system a global positioner that is installed in the car boot with a screen containing a digital man on the dash-board. These do not fall easily into the

electronic products; indeed, they can more accurately be described as information tools. Other successful examples of these

conventional definition of consumer





one such piece of apparatus.

The fascination with mobile phones starts young. Plastic day can be spent on either side models are displayed alongside traditional rattles and building blocks. It is a fair bet that the first word attered by the Hong Kong baby is not

None of this has been lost on telecommunications companies, both locally and overseas. As Hong Kong also has one of the most technologically sophisticated audiences, the range of telephones and pagers is as blg as lt is diverse. Top criteria are size slim versions are best - and long-distance capabilities, a must for those whose working

of the Chinese border. Yet, the rave among whitesocked schoolgirls and besnited husinessmen abke is a relatively simple product with a uniquely Hong Kong twist: the multi-lingual pager.

These svelte models – slim-

mer than a packet of cigarettes and infinitely more hip - continue to provide all the information which is de riqueur for Hong Kong students, taxi drlvers and tycoons

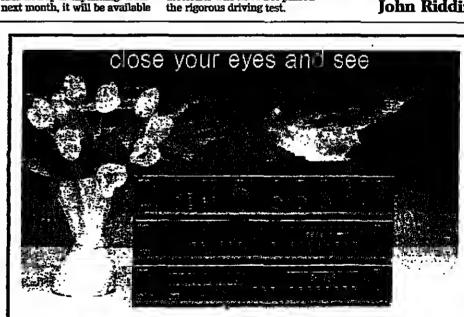
Hntchison and Motorola advertise their joint mnltilingual pager with a slogan designed to win the hearts and minds of today's bi-cultural youth in an apt semantic hybrid: "Gam mon fong kung hoi happy hour ma?" ("Are you on for happy bour after work tonight?").

The Motorola Advisor, a pager that can be used only in Hong Kong and Macan but is loaded with functions guaranteed to appeal to the buttonhappy, plus a memory storing up to 40 messages, also has an astute marketing strategy. The television commercials

depict a youth with pop star looks and a bouquet of flowers who always arrives at places where his friends are not. The message is clear: if only

he had a multi-faceted, multilingual Motorola pager then he, too, could take part in the happy-bour karaoke.

Louise Lucas



the remarkable Arcam Alpha 5 hi-fi system

Close your eyes and see the difference between Arcam's new Alpha 5 system of separate hi-fi components and anything else in its price range. Experience for yourself the sound quality, eliability and ease of use that have made Arcam Britain's leading manufacturer of hi-fi electronics.

Ignore the fact that our Alpha 5 amplifier has been the best-selling hi-fi amplifier in the UK for the past year, outselling every single one of its Par Eastern rivals. Don't be tempted by its attractive price tag which looks too good to be true. Just listen, and discover a quality of music reproduction that can only be described as

Next try again the Alpha 5 FM tuner. Again, don't let this surprising affordability seduce you. Instead listen to broadcast sound that is neutral, clear and dynamic, qualities which gained it a class leading Recommendation in the 1994 What Hi-Fi? Awards.

Finally, feast your eyes and ears on the new Arcam Alpha 5 Plus CD Player - quite simply the best high value performance CD player ever

We are happy to report that the critics agree

with November's What Hi-Fi? giving the 5 Plus an outstanding 5 star review. In the magazine's own "There's not a hint of artifice in the sound of

the Alpha 5 Plus: instead it just sounds together, highly expressive and above all right. And that's as true with big classical pieces or gentle acoustic music as it is with driving rock".

But in the end neither we nor the reviewers are the final judges - you are. So we'll tell you where to hear Accam for yourself. Then just listen. Close your eyes, open your mind and see the light.

Source - G&K Market Research

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Kippers that taste of Scotland

Nicholas Woodsworth visits a small smokehouse in the Highlands

But I thought I was when, one early autumn evening, the MV Hectoria hove into the little port of Achiltibuis in the far north-west of Scotland. After just a couple of hours of fishing off the Summer Isles. I had in my possession 30 large, fat mack-

In I strutted to Am Fuaran, the local waterside pub, holding my fishing rod like a sceptre and feeling like an emperor about to distribute largesse. Who, I inquired benignly, might be interested in the gift of a sack of fresh mackerel?

I expected gasps of surprise and admiration. There were none. I expected people to queue up. They did not. One man, in that stage of inebriation in which the whole world is one's friend, said he might take a couple for his cat, but then forgot about it by the next round. I went to bed remorseful, feeling, even if they were only fish, like a mass murderer.

The next morning, over breakfast, Lottis Ross, my hospitable B and B host, did her best to console ms. "There is nothing wrong with mack-erel," she said. "It's just that here on this coast we can get about anything we like. For us crabs, prawns, and lobsters are normal, everyday things. My husband Jimmy will be back from Loch Osgaig in a while; I expect he'll have caught us a few brown trout for tea."

I felt a bit better. But I also felt curious. Amid all this ocean wealth, I asked Lottie, was there any kind of food from the sea - crustacean, mollusc, or finned fish - that she liked to eat but that was not a normal, everyday thing?

Lottie thought long and hard. "Yes," she finally replied. "Kip-

For Lottie, as for most lovers of the smoked herring, kippers are a treat and not to be over-indulged in. She reckons that once every fortnight or so is a good average. "You wouldn't want them more often than that - they make a very par-

ticular meal," she insisted. Particular they are indeed. How-

am not much of a fisherman. ever rarely they are eaten, kippers seem to have a curious property they are just about the most evocative, memory-stirring and nostalgia-producing food you can eat. Lottie agreed; she can remember eating kippers as a child growing up near the Clyde. She can even remember specific meals - the arrival of wooden cases of Loch Fyne kippers and the feasts that followed.

Perhaps that is because Loch Fyne, a long, deep arm of the Firth of Clyde, is reputed to provide the best kippers in the world. When I put it to Lottie that the kipper was not a Scottish invention, but originated last century in Seahouses in Northumberland – I once spent a holiday there and it is their proudest claim - she was indignant. The kipper is as Scottish as tartan plaid, she asserted, and the world's finest.

Hnw could anyone prove that, I wanted to know. "Just head down the road a mile and see a man named Ksith Dunbar," Lottie replied, "he knows everything there is worth knowing about kippers." And he did.

000

Lottie and I were both wrong, it turned out. As a specialist who for more than a decade has been smoking not just herring but everything else under the sun - salmon, sea trout, eels, venison, duck, highland beef, wood pigeon, and Arran cheeses - Kelth Dunbar has amassed great quantities of literature at the Achiltibule Smokehouse. His enthusiasm for his art has done him no harm - he may work on the wild outer edges of civilisation, but last year Dunbar and his small company, Summer Isles Foods, won the BBC's Best Smokehouse award, I surprised him, hard at work in his smoker's apron, but he nipped off happily to his files to satisfy my

Neither the Scottish nor the English, it seems, can claim the invention of the kippered herring. The origin of the word kuppen, meaning to spawn, is Dutch, and was applied originally to the smok-

WINE MERCHANT OF THE YEAR 192-93 & 193-94



ing of out-of-season salmon. Kippering fish is also s very old art, and was practised all over northern Europe for hundreds of years as a

means of preventing spoilage.
As early as the 1400s fishermen in southern England were talking about a "kipper time" in connection with what now seems an improbable activity - an annual Thames salmon fishery.

But do not imagine. I was warned, that the medieval kipper enthusiast sat down to the moist, fragrant, creamy textured and delicately smokey fish that the best kippers can be. One should not even imagine, in fact, that the medieval kipper enthusiast existed at all - heavily smoked to make emaciated, out-ofseason fish a bit more palatable, heavily salted to give them maximum storage life, the dry and leathery kipper was eaten more through ity than pleasure.

Kelth Dunbar, though, is hardly more complimentary about the modern mass-produced product. And anyone who has tried it will probably agree - today's frozen boil-in-the-bag supermarket kipper is a disappointment: not tender but

soggy, not flavoursome but tasteless, not subtly toned but srtificially colour-treated. Worst in this litany of modern sins, Dunbar asserts, is that some kippers have never seen even a lick of smoke.

All this is partly the consumer's fault, he admits. "We don't shop with our noses or our sense of taste,

What could the Ramada hotel in Qatar want with over 300lb of kippers?

but with our eyes. Commercial companies know this and, invariably when ws buy smoked fish, we fall for that superficial sales pitch-deep, dyed colours. It is a mistake every time."

Keith Dunbar's kippers are noth-

ing but herring, salt and smoke. The mass-production companies would laugh at my operation here -

they deal in herring by the truckload," he said as he showed me his blackened smoke kiln, not much bigger than a large wardrobe, that allows him to smoke up to 200 kilos

of fish at a time. "There are three things that are vital in kippering," Dunbar said as he showed me brine vats and hanging racks, smoke flues and fire-boxes. "The quality of the herring, the smoking process, and the kind of smoking wood used."

If Dunbar can get plump, high-fat berring from Loch Fyne he will; sometimes he finds Faroe Island, Norwegian or Icelandic herring better. Often commercial smokehouses will smoke their herring for just three or four hours with a smoke so hot it immediately forms an impervious crust over the kipper, preventing the absorption of smoke. In Achiltibule herrings are smoked for

18 hours using "cold combustion", a method producing slow, cool smake. The real secret of a good kipper, though, lies in the wood shavings that generate the smoke. Dunbar uses only shavings from sherry casks: when these are imported by Scottish distilleries for whisky stor-

age they are dismantled and rebuilt; the scrolly mature oak shavings that result produce a deep, fragrant, subtle flavour.

Who eats kippers these days, I asked Keith Dunbar, marvelling at the invoices for kipper deliveries lying on his desk. What, for heaven's sake, could the Ramada hotel in Qatar want with more than 300lb of kippers? Who orders kippers at the Holiday Inn in Katmandu?

All sorts of people will try them, apparently. But strangely enough there is a fairly well-defined kipper consumer's profile, Dunbar told me. Kippers are an upper-middle class product, eaten mostly by over-55s. They are favoured by the professional classes, especially those in the law, finance and the clergy. Most kipper lovers are conservative - they harken back to the days when people could sit back and enjoy a leisurely breakfast.

"There's something very emo-tional about the whole business," Dunbar told me, mystified. "There are large numbers of elegant London ladies who buy kippers for their fathers and uncles at Christmas. 'Daddy just loves kippers', they say to me. They have become so popular I have started a Kipper Club.
For 250 you can have two pairs of freshly-smoked. Achilibate kippers delivered to your door every 30 days

Elegant London ladies were all very well; I, however, wanted to put Keith Dunbar's kippers to the real litmus test — an exacting Achilti-buie woman I happened to know. "Wonderful," stated Lottie Ross

the next morning as together we tucked into a feast of grilled kippers, scrambled eggs, hot toest and strong tea. It has just that fragrant, smoky flavour I remember as

I had no distant, kipper-related . memories to dwell on But kipperconsciousness, more evocative than: any Flaubertian madeleine, will not fail me. Next time I ofte into a morsel of that tender, flavoursome fish,

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I know I shall find myself on the rocky shore of Achiltibute.

Inquiries concerning the Kipper Club may be addressed to Keith Dunbar, The Smokehouse, Achiltibute, Ullapool, Ross shire, Scotland : IV26 2YG. Tel: 0854-622353, fax

Appetisers

Last-minute party venue

the Christmas table, the search for the ideal venue for the office Christmas party is almost over.

One London restaurant that has opened too recently to avail itself of Christmas bookings, but would make a most original place for a small office lunch or dinner party, is The Heights, on the 15th floor of the St Georges Hotel, Langham Place, London W1 (071-636 1939). The chef is 29-year-old Adam Newell, formerly of Le Poulbot, Cheapside, London EC2. who shows his culinary talent and originality in dishes such as: salad of grill guinea fowl and ratte potatoes; crab and scallop flan; peppered roast monkfish and gateau of aubergine and tomato vinaigrette. Dinner costs around £20 to £25 per head without wine (the list is sadly disappointing) and there is a cheaper bar menu next door. Window tables command views across west London. Nicholas Lander

■ My short cri de coeur about the menace posed by mobile phones in restaurants has struck a chord. Suggestions came in from the UK, Israel and Germany. They ranged from the creation of special areas for mobile phone users, the equivalent of smoking and non-smoking zones, to the commissioning of a new H.E. Bateman cartoon that shows the fate of "The man who dared to

man in a railway carriage interrupted by a fellow traveller using a mobile phone. The man expressed interest in the phone, was given it to look at, and promptly threw it out of the window.

But all readers agreed that restaurateurs should display a prominent sign asking mobile phone users to leave their phones with the receptionist during the meal. If they do not, one-liners to be remembered include: "I'd rather not hear about you and your probation officer!", "I'll ring your neck" or finally, and most effective if said by a woman to a man: "Kindly put that thing away!" Nicholas Lander

A light lunch prepared by Rowley Leigh, chef-proprietor of London's popular Kensington Place: scallops with ceps; noisettes of venison with pumpkin purée and tomato and aubergine gratin followed by baked tamarillos and vanilla ice. To drink there were choice wines from the cellars of the London wine merchants Bibendum: a delicious Con-drieu; Cabernet from the Waimarama Estate in New Zealand; Reciotn di Soave and

Niepoort port. Did I say a light lunch? Do that five days a week and you will almost certainly be making an urgent appointment with your doctor. But not according to Jane Clarke, the

Thile the hunt is use a mobile phone in a restau-on for the finest rant."

dietician who designed the menu. Clarke says one may eat ingredients for One reader told the story of a - and the above meal was one

> Sounds too good to be true? Let us hope it isn't. Sceptics can make inquiries to Jane Clarke on 071-823 5323, fax 071-823 5110. Giles MacDonogh

> Sotheby's first wine sale in Zurich for many years takes



place on Friday, December 9 at the Hotel Baur au Lac and is expected to fetch £500,000. It coincides with Sotheby's 250th anniversary year and the 25th anniversary of Sotheby's Swit-

Châtsau Chsval Blanc 1945, 62, 64, 82, 85, 86, 88 and 89, La Fleur Pétrus '79 and '86, vintages of Margaux, Lafite, Latour, Pichon-Lalande, Cos d'Estournel and Ducru-Beaucaillou are included.

There are some interesting estimates: SFr8,000-SFr10,000 for a dozen bottles of Petrus 78 and SFr6,000-SFr7000 for a dozen bottles of '67 Yquem. Sotheby's is hoping a single bottle of the '45 Youem will fetch SFr1,000-SFr1,300.

ant." menu. Clarke says one may eat auctioned, including some one reader told the story of a good food and remain healthy Cuban specials chosen for fla-Cuban specials chosen for flavour and rarity. A 44cm Havana "Le jeroboam de Gérard Père et Fils" is expected to net SFr400-SFr600. No doubt the buyer will either want to share it with friends or

> rupted days.
> Seriously, the number of exceptional wines from rare vintages might make a very. acceptable Christmas or anniversary gift, especially since there are a number of small

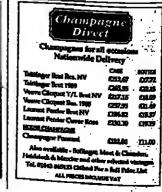
smoke it over several uninter-

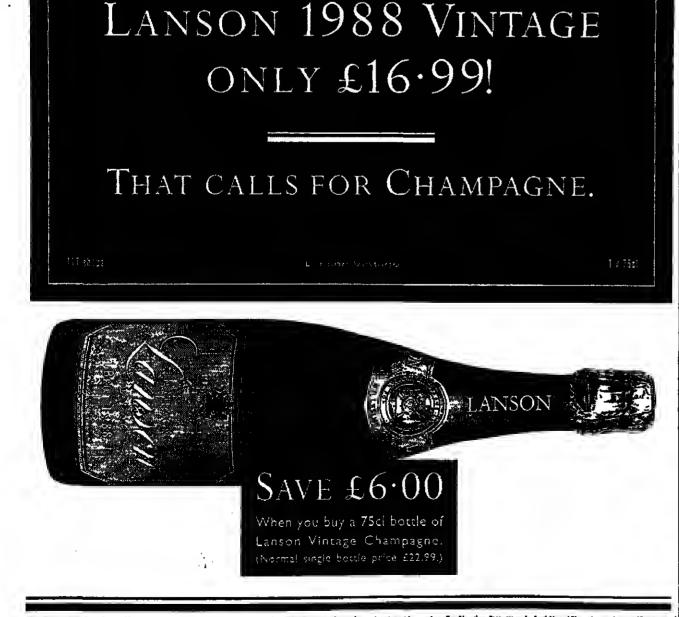
Hampton Court Palace still has places available on its Tudor feast lecture tours, running from now until spring next year. Specialist guidelecturer Sue Jenkins will talk about Tudor food, cooking methods, kitchen equipment and diet. The tour will take place in the palace's royal kitchens, which were designed to feed several hundred. Cost of the tour (on selected Thursdays from 11am to 12.30pm) is £15. Details on 081-781 9540. JJ.

A welcome sign that, under energetic chairman Adele Biss, the British Tourist Authority is taking a more active role in promoting British restaurants, is the new Guide to Asian Restaurants in London. Financed by the BTA and Qantas, 70,000 copies of this guide to 39 of London's best Chinese, Thai. Indian and Japanese restaurants are available free from BTA Asia offices and are being distributed to Qantas passengers arriving in the UK. NL









Giles MacDonogh visits Bulgaria. He has a meal to remember with a retired cavalry officer and sees the problems of the country's wine industry

know now that the only way to deal with the after effects of homemade rakia is to eat a large bowl of shkembay tchorba, liberally dosed with pickled garlic and scattered

Wife ConnoverMBER 27 1994

with chilli pepper seeds.
I learned as much in the pretty old town of Veliko Turnovo in Bulgaria after dinner with a remarkably hospitable retired cavalry colonel and his

As ever, the meal had begun with a plate of salad and a glass of rakia, the Bulgarian national drink. It is a little like an Austrian Obatlar: a schnapps distilled from what-ever fruit there is to hand.

The colonel was proud of his rakia. I recognised that homemade feel as it burnt tts way down my oesophagus stripping away any form of protective lining it encountered along the way. Tears appeared in the cor-ners of my eyes. What kind of alcohol level did it have, 1 asked hoarsely? Not more than 45 degrees, said the colonel unconvincingly. I would have het good money it was 10 more. The colonel cheerfully refilled my glass and raised his own in a toast.

l was relieved when my salad plate was taken away and the need to swallow the firewater passed. We ate one of Bulgaria's best little dishes: red peppers filled with feta and beaten egg, dusted with flour and fried in batter. Then the colonel's wife served ber special schnitzel, flavoured with marjoram and also dipped in beaten egg.

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Later, some little strips of ham made their appearance as we had not finished the wine (the Bulgarian sbuns drink unaccompanied by food). Finally, a sweet cake appeared laced with something like a Rhenish Apfelkraut: a reduction of apple juice.

I cannot have drunk more than a couple of tumblers of rakia but the damage was done. Shkembay was the only

Shkembay is perhaps the one area in which the Bulgarians and the Romanians make common cause. North of the Danube it is called ciorba di burta, or sour-stomach soup. The words tchorba and ciorba both derive from the Turkish word for soup and this was the broth which fuelled the janizaries; or Christian guards, of the Ottoman army. It presumably gava them the force to fight.

Classic shkembay should be brimming with whole cloves of garlic and hig, juicy chunks of tripe. If you are suffering as much as I was, you add some more pickled garlic and more pepper too.

Bulgarian cookery is simplicity itself. A salad, such as the popular shopski sulata (which refers to the people of Sofia), with tts tomatoes and grated feta, is served with a glass of rakia. A soup is often served, and sometimes a sort of assiette volante in the form of a pancake filled with meat. Next comes a little plate of kebab or schnitzel; or somatimes a cheese dish such as the kashkaval or yellow cheese, dipped

in batter. One of the most pleasant meals I ate in Bulgaria was also in Veliko Turnovo, in the

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Mehana (or tavern) Hadji Mincho, in the old town. I ate rustic potato soup and mutton tral market. I was flabbersautéed with onions while a singer called Petva sang me an apparently lewd song about a woman caught pilfering black-

Meals are not over-generous. Little slivers of meat are fre-quently served, in good old Communist Block style, under a covering of cheese. The cheese is either white (feta or sirene) or yellow (kashkaval). The Party bad its own gastronomic tastes, as a Bulgarian friend remembers on the one occasion be was invited to the Politburo guest house (now the Hotel Rila) in Sofia for lunch.

The room was filled with plump little men in sbabby brown suits with pools of sweat under their arms. They were all fetching a treat from a buffet and licking their lips as they conveyed it back to their seats. The dish turned out to be whole sheep's heads - eyes

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converted from a private bouse to Veliko Turnovo: Bulgarian cookery is simplicity itself

more, the old members might ideas from elsewhere. well be working in Sofia's cengasted by the linguistic talents of one of the stall holders who addressed me first in fluant Italian; then moved effortlessly into German until, learning that I was English, he spoke to

me in my own language. The simplicity of Bulgarian food may have something to do with the comparative youth of the state combined with 40 years of communism.

After the Bulgars (with a little encouragement from Gladstone) ejected the Turks a century ago, the new nation borrowed many of its culinary

From France they imported the verb "paner" to cook in batter (this appears on tourist menus as pane, as in "brain pane"); from Hungary came palatschinken or pancakes; from Russia, a taste for little smoked fisb. More recently culinary attention has turned to that bulwark of capitalism, America.

A provincial hamburger, howaver, turned out to be a fairly crude attempt at the genre: a roll was filled with wbat tasted like spam, together with a few slices of cucumber and some feta cheese with tomato ketchup.

The restaurant business is booming in Bulgaria for the first time since 1947. People are free to open what they wish. Before 1989 there were about 10 restaurants in the capital, Sofia. Now there are hundreds. But while you are no longer

stuck for choice as to where to go, there is little variety when it comes to the food on the plate. So far, the only postcommunist culinary inventions are the doner kebab and the hamburger. We must give them a few years yet. In the meantime 1 counsel anyone going to Bulgaria to apply their palates to a good bowl of shkembay.

ber elections.

try to slow down the pace of privatisation. They will also direct business to the stateowned wineries rather than the new private ones.

resulted in some people refus-

ing to take back their land.

They prefer to wait until the vines have died. That way the

need to pay money to the state

in compensation will be invali-

Bulgaria is in

revolution

that which

France 200

years ago

took place in

If this process is allowed to

continue it could mean that

both state and private wineries

will have problems putting their hands on grapes to sat-

isfy their customers in the

In the new private sector

there is considerable interest

in how the British buyers will

jump. Will they continue to

buy from the more efficient

state-run wineries auch as

Russe on the Danube, or will

they turn to the new private

companies such as Lovico in

Suhindol?

that it was bottled for tha exclusive use of J Sainsbury, of state. Already in tha 1980s declining production meant that whole vineyards were left Stamford Street, London, SE1. We Britons are familiar with Now the need to compensate Bulgarian wine now, but perhaps less aware of the turn of the state for "improvements" events which led to Britain becoming one of Bulgaria's made to the land during the 40-odd communist years, has

Bulgaria was designated a wine-producing state for the entire communist block under the Comecon agreement of the late 1940s. Until the arrival of Gorbachev, the Soviet Union provided its main market. Far from liberalising the Soviet state, one of Gorbachev's first moves was to ban drinking in the Communist Party. This resulted in an unexpected blow to Bulgaria's wine industry.

odd, not to say

unsettling, about sit-

ting in a restaurant

in one of the more remote cor-

ners of old Europe and having

the waitress bring you a bottle

of wine on which the label says

prime markets.

Fortunately for the Bulgarians, their wines had begun to attract attention in certain western markets, notably Germany and Britain. From the mid-1980s onwards the best wines made their way west.

By some curious irony, the kolkhoz system, which had destroyed the old peasant vineyards on the hillsides and brought the vines down on to the productive (but not nearly so promising) plains, proved a boon to British supermarket buyers.

Here was a chance to purchase huge quantities of cheap, decent quality wines for their branches. The price they paid was shoring up Zhivkov's regime with a little muchneeded foreign capital. But at the time no one cared much about that. Attention was focused on South Africa.

The success of this change of direction was short-lived. In 1989, Bulgaria underwent tts own version of the Velvet Rev-

Privatisation plans, voted as early as August 1991, were finally enacted in the course of the following year. Land was to be given back to those who had owned it in 1947 (or their

Many of the wineries had been constructed by the stata, but some had not and in those cases there was a good deal of chicanery about giving them back; but, at the time of writing, a third are already in private hands.

Confusion reigns. Not leas

here is something bloodshed, they will, however, ers. The new regime has proved itself uninterested in agriculture and his impression is that the west has no desire to see the development of privete wine production in Bul-In many areas the vines garia. Foreign investment has themselves are in a lamentable so far been made in Hungary, Romania and Moldova, but not

in Bulgaria. Madjarov may be right. The British buyers will almost certainly continue to buy where they may be assured of decent quality in sufficient quantity. In the meantime, the Bulgar-

ians' old friends in Russia have come to the rescue. Yeltsin'a land is not the sober place it was under Gorbachev and demand from Russia is high. The trouble is that they only buy cheap wine.

Driving back from Plovdiv to Sofia I could still make out the the throes of a old south-facing terraces where the best grapes were grown before 1947. The thought of replanting these good sites filled me with a mild optimism. comparable to

I found something of the same spirit among Sofia's leading political scientists. They pointed out that Bulgaria was in the throes of a social revolution comparable to that which took place in France two centu-

A new social class has come into being. One of them asked me if I had noticed the hordes of borses and donkeys which now clutter up the Bulgarian roads: "Tha old communists hate them; they see them as a return to pre-modern times. This is not true: the donkey is the first step to independence."

The same peasant-farmer who invests in a donkey will look after his newly acquired vines, and who knows? Maybe one day his son will stop taking the grapes to the co-operative and make the wine him-

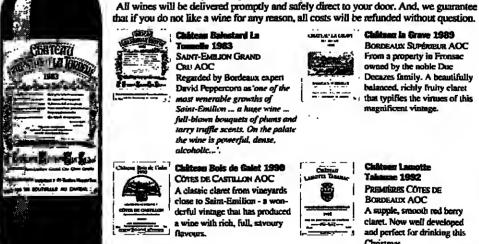
It was a cheering argument Konstantin Madiarov, wbo and one which continued in a local Sofia restaurant over a got his family winery in Stamboliiski back only months ago. bottle of Young Vatted Merlot is bitter about both the Bulgar-(bottled exclusively for Safeian state and the western buy-











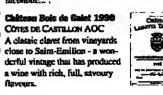
Regarded by Bordeaux expert David Peppercora us one of the most venerable growths of full-blown bouquets of plums and tarry truffle scents. On the palate the wine is powerful, dense, Chîtesu Bois de Galet 1990 منت خونج منت

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Foie gras feasts and top 2. Auguste Cyprien of Perigord (supplied by Clark Trading Co. £18 per 130 gram tin). 3. Jean-Pierre Picot of Gascony

Others enthused less. describing it, among other "somewhat things, as stiff", "dense", "too rich" and "a little lacking in flavour".

The Andignac sample pleased by virtue of its "pink flush appearance", "good texture" and "very good flavour but not what I would expect from goose". It was also rated "rather coarse", "chewy in the mouth" and "cloying in after-

The Cyprien sample, approved by some for its tex-ture and "mealy" flavour on the one hand, also provoked the comment "rather coarse, more like e brawn or a pork

■ Foie gras de canard entier this time duck rather than goose livers. Samples tried:

words "avec morceaux" on the label. Samples tried: 1. Auguste Cyprien of Perigord 1. Andignac of Landes (sup-(supplied by Clark Trading Co. plied by Gourmet Products of £12.75 per 130 gram tin).

the Cyprien duck. The general

gist of our comments bere was

good clean taste, good texture,

Again opinions were fairly

united about the Andignac

sample: "dense flavour", "quite full in the mouth", "elmost sweet" and the word "huttery"

cropped up repeatedly; while the Picot sample elicited the

description "cheesey" from

■ Bloc de foie gras de canard

en conserve.

Bloc or loaf is a cheaper way

to eat 100 per cent foie gras. e

smooth blend of foie gras trim-

mings that is usually, but not always, studded with little

nuggets of lobe - look for the

good finish, good value.

almost all the tasters.

Philippa Davenport tells you all about fattened duck and goose liver. France, £17.50 per 180 gram 2. Jean-Pierre Picot of Gascony ers may like to note that Gour-(supplied by Traiteur Pagnol, £7 per 85 gram tin).

Only two samples of bloc as Gourmet Products of France sell it fresh not fully preserved. (supplied by Traiteur Pagnol, Results were disappointing £24.50 per 160 gram jar). We all prefered duck foie here. "Quite nice flavour and good length but not special" was the most enthusiastic gras to goose, and were unantmous in giving our top vote to response that could be mus-

tered for the Cyprien sample. Picot fared little better. Indeed it was described as "meatily unsubtle, cloying, coating the mouth disagreeably" by one of our team.

The overall winner by far, the best buy on all counts by common consent, was the foie gras de canard entier in a tin by Auguste Cyprien from Clark Trading. The only pity, we agreed, is that glass jars meke more bandsome and impressive gifts than tins. But taste is the most important thing, and the fact that tins are lighter and less fragile is an obvious postal advantage.

It is undeniably true that the much more perishable fresh or mi-cuit foie gras is superior to fully preserved - the lesser heat treatment it has undergone permits texture and flavour to

With this in mind. London-

met Products of France sells fresh whole lobes of goose at £35 and duck at £29 per 300 grams, and en bloc of duck at £16 per 250 grams. Traiteur Pagnol also sells fresh lobes at \$29 and \$25 per lb for goose and duck respectively. Remember, these products need to be kept under refrigeration so

> Chef Gordon Ramsay's terrine was sensuous food for the gods

take a cool bag when shopping. They are unsuitable for mail-

The greatest treat of all - as dazzlingly different as fresh alpine strawberries just picked from the wild versus e jar of ordinary strawberry jam - is high quality raw fote gras cooked to order

Foie gras lightly sautéed and served hot on salads, or gar-nished with quickly fried slices of apple or gently warmed

grapes, makes an exquisite fast feast for *a deux* occasions. The other great foie gras delicacy is a freshly-made terrine. This has to be cooked ahead and is a spectacular party piece.

To remind ourselves of this fact we tasted a terrine of fore gras specially prepared for us by Gordon Ramsay, of the much-lauded Aubergine restaurant at 11 Park Walk, London SW10 (tel:071-352 3449). Silkily smooth, with a sensuous meltin the mouth texture, fine lingering flavour and a shiver of shimmering jelly on the side, it

was food for the gods.

As my colleague Nicholas
Lander pointed out, when you
taste something like this, and you think of the time and ingredients that have gone into its making, the restaurant charge of £12 per portion does not seem exorbitant.

Anbergine does not, alas, sell its terrine of foie gras as a take-away. However, terrine of fote gras can be cooked to order for collection from the House of Albert Roux.

Or, if you have the time and enjoy culinary adventures, yon could buy raw fore gras and your, own, terrine at make home. Gourmet Products of France sells raw duck foie gras

at £40 per kilo as does House of Roux at £18.50 per lb. A recipe for terrine of foie gras will foi-

low next week.

Clark Trading, 17 South brook Road, Lee, London SE12 8LH. Tel: 081-297 9937. Fax: 081-297 9993. Postage and packing £2.95. Last orders for

Christmas: December 19. Gourmet Products of France, 123 Howards Lane Putney, London SW15 6QE. Tel: 081-788 6908 Fax: 081-789 2732. Deliveries free in London. Postage and packing outside London (suitable for preserved products only) £4.50 per jar. Last orders: 28 November. ■ House of Albert Roux, 229 Ebury Street, London, SW1. SUT. Tel: 071-730 3037. Fax: 071-823 5043. Last orders for

Christmas: December 16. Traiteur Pagnol, 170 Regents Park Road, London postcode. Tel: 071-586 6988. Fax: 071-916 1983. Postage and packing (suitable for preserved products only) £4.50 for the first item plus £1 for each additional item to the same addresses. Last orders Decem-

Harrods can supply raw goose foie gras at four days notice for £35 to £40 per lb. Tel:

moked salmon was first, followed by oysters, as the choice items that greedy people bought for as mail-order presents r the festive season. Now foie ras, long favoured at top bles, is the most fashionable ire with which to celebrate e feast of Christmas.

Foie gras is a more ticklish roposition to buy than moked salmon or oysters ecause, unlike those very ritish foods, foie gras is for-gn territory. Vallantly, how-ver, the Weekend FT's food nd drink team agreed to search and sample what is vailable to establish best buys

First, a few basic facts about ie gras. Foie gras, which simy means fattened liver, can me from goose (oie) or duck anard). Whether goose makes perior foie gras to duck, or ce versa, is open to endless

Goose is rarer now, and more mensive, because these birds e more labour intensive to ise. Experts agree generally nat goose foie gras is richer ad smoother, although duck ends to be fuller-flavoured. Foie gras may be sold raw or coked to varying degrees. aw and vacuum-packed, it eeps for just two weeks and

ust be refrigerated. Cooked lightly and freshly alled fresh in English, mi-cuit 1 French), wrapped in foil and acuum-packed, and kept in ne refrigerator, it has a shelf fe of three to four weeks. E The next rung up the preser-

emi-conserved in English, emi-conserve in French. Boted or tinned, this also must e stored in the refrigerator, there it will keep for about

Finally, there is fully-prearved foie gras - what the rench call en conserve -hich is cooked at length and terilised in jars or tins so that does not need refrigeration. can be stored safely in a larer or cool larder-cuphoard and rill keep for about two years.

As preserved foie gras is the only sort suitable for sending by mail order, we restricted

our comparative tasting to

products in this category. We aimed to get our supplies from the food halls of depart-ment stores, importers prepared to sell retail as well as wholesale, and small specialist

The services offered were varied, to say the least. This soon became clear to the Weekend FT's Anna Lambert, who organised the orders to be deseatched for our tasting.

Food halls generally seemed impersonal and expensive, geared better to selling ham-pers than the single jar or tin of foie gras that more suitable for mailing to great-uncle

What is more - and presum-ably with the flashy end of their lucrative international clientele in mind - they seemed to concentrate on foie gras products with truffles and other fancy trimmings rather than good, plain foie gras

Of the importers, W. G. White was wonderfully infor-mative and helpful: alas, its business is wholesale so it does not offer mail-order service. Repertolre, which does

showed a willing spirit initially but inefficiency in practice. After four frustrating attempts to contact Cutters

(none of our calls was returned) we gave up on them. We found that only the very small specialist companies were knowledgeable about their products and willing and able to talk to us. They tended to be much better at supplying orders exactly as requested, and delivering them when they

We asked for three different sorts of preserved foie gras, all 100 per cent pure and simple.

Entier is a key word here. Foie gras labelled like this must legally consist of whole lobes or a large piece of liver (with a small piece permitted only to make up weight). Samples tried were:

1. Andignac of Landes (supplied by Gourmet Products of France, £22.00 for a 180 gram

2. Auguste Cyprien of Perigord, (supplied by Clark Trading Co, £19.50 a 130 gram tin). 3. Jean-Pierre Picot of Gascony (supplied by Traiteur Pagnol 225 per 160 gram jar).

Goose generally found less favour than duck but one taster voted the Picot goose e close second best to the overall winner, epproving its "fine col-our, strong appetising nose and

Sweet and golden

matching food and wine, that a region's wn liquid produce generally oes best with its solid (edible) natter. It seems rather tenu-us to me. Whisky may be deli-ious with haggis and Ribera el Duero with the pitifully hort-limbed milk-fed lamb aten in that part of Spain, but in with jellied eels? Bandol tith bouillabaisse?

We could discuss this fasciating subject for many weeks, nd certainly the wines that go est with *foie gras* are in gen-ral produced in regions where tucks and goese are never llowed to be peckish.

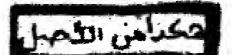
Because foie gras is so rich, t tends to make all but the nost sumptuous red wine taste ather thin and puny, whereas : sweet, golden liquid can eem just the job - especially vhen the foie gras is served vith something sweet as it so

The south-west is not just rance's centre for foie gras roduction, but also for her weet wines: Sauternes most iotably but also Monbazillac md, from further into foie gras erritory, moelleux (sweet) verions of Jurancon and Pacher-

enc du Vic-Bihl. These last two are often easier and more refreshing to drink young (le in single-figure prices per bottle) and in my experience go particularly well with fote gras. Try Adnams of Southwold, Suffolk, Lea & Sandeman of London SW10 and, of course, the determinedly francophile Nicolas shops in London for examples of these appellations. On the opposite side of the

hexagone both foie gras and some sweet white wine to drink with it can be found in Alsace - although it can be devilishly difficult to tell from the label just how sweet an Alsace Vendange Tardive or Selection de Grains Nobles actually is. Many less expensive Alsace wines without these riper-sounding words on the label are ectually made quite sweet enough to drink with foie gras. Rolly Gassmann from Bibendum, London NWI, Schoffitt from Oddbins and Adnams, and Faller from O W Loeb, traditional independent merchants and now Oddbins spring to mind. For a wide range of Alsace wines, La Vigneronne of London SW7 and Wine Rack are hard to beat.





CHRISTMAS FOOD AND DRINK

quality wines to savour

Jancis Robinson goes upmarket for her seasonal wine-buying spree

or the last four years, with a conscientious nod to the recession, this pre-Christmas wine buying column has concentrated on inexpensive chainstore wines. This year things are looking up. If FT readers cannot afford to splash out a little on a special bottle or two for

the holiday season, who can? And when it comes to wines selling above £6 or so a bottle. the best independent wine merchants have much more to offer than most supermarkets and high street chains.

The most reliable guide to finding the hest independent wine merchants all over the UK is the (almost) annual Which? Wine Guide.

The 1995 edition is just out, published at £13.99 by the Consumers Association under the editorship of Harry Eyres, one of our more fastidious wine He chooses as independent

wine merchant of the year Lea & Sandeman, of London SW10 and W8 - a slightly Sloaney firm of which I am also a great

A good measure of an independent wine merchant is how

those who simply ring around the wholesale importers; add 15 for those who, like Charles Lea, take the trouble to scout around tha byways of the world's wine regions in search of exclusive little trouvailles.

Actually Lea & Sandeman's prowis are pretty much confined to France and Italy. They have some clever choices from the Nsw World but limit themselves to two very un-Australian Australian Chardonnays.

Their strength is in the wine world's classics (of which they have a constantly changing stock), characterful bargains from southern France, Valdespino's connoisseur sherries, and evidence of the Italian wine revolution that is shamefully rare in Britain.

Wine merchant of the year, so far as this year's WINE Magazine International Challenge was concerned was, yet again, Adnams of Southwold, Suffolk, surely Britain's most confidently innovative wine merchant This much larger outfit, run

with flair by Simon Loftus, can afford many more passions than L&S - indeed the annual game with its instructive and

than a particular strength. The May list is supplemented throughout the year with a series of pamphlet enthusiasms which have recently included Australia, Austria, Alsace and evidence that their approach is non-alphabetical, the Southern

Lea & Sandeman's shop prices per bottle tend to be

For personal service, you could do worse than an independent wine merchant

about 10 per cent higher than Adnams', but then premises in London tend to be rather more expensive than in Suffolk market towns, even charming old Southwold. Mail order prices from the two merchants (those quoted below) are much the same, with delivery free for those spending more than 150 with L&S, and for those huying at least 24 (assorted) botBunch group of wine mar-chants (together with Joh Armit of London W11, Corr & Barrow of London EC

& Wheeler, Laytons of Lou-NW1, Tanners, of Shrewsbury, Shropshire and Yapp Bros, of Mere, Wiltshire) which is doing its best to instill confidence in

the independent wine trade. Below are some representative examples (whites before reds in ascending price order) of the exciting wines currently listed by these wine merchants each demonstrating the sort of individuality that is all too rare on the shelves of the

chains and supermarkets. Oddbins is the exception to this rule, continuing to offer wine drinkers evidence that it is on the cutting edge of the wine world. Some of its best buys this winter are therefore also included below.

But for really personal ser-vice, you could do very much worse than track down your nearest independent wine mer-chant, who is probably moti-vated chiefly by his or her product and a giant helping of

LEA & SANDEMAN, 361 Fulham Road, London SW10 (071-376 4767) & 211 Kensington ~1- 221 1982).

nine de Joy Cuvée Spe-1992, £5.87. Oak-aged y dry white made mainly m Manseng grapes (of Jur-açon fame). Long, lively and so much easier to drink without food than Chardonnay.

Monbazillac 1990 Domaine de l'Ancienne Cure, £8.95. Most wine merchants worth their salt have gone scouting for a Monbazillac from this first class sweet white vintage. This one might need a little more acid for long term development but is just the luscious thing

for drinking this winter. Chahlis Premier Cru Beanroy 1992 Tribut-Dauvissat, £13.33. Fine, sleek, classic Chablis with terroir in spades. Its assertive acidity should revive jaded palates.

Cuvée Pierre Audonnet 1993 Domaine Piquemai, £4.58. A frank, glossy Merlot-based vin de pays from Roussillon that would make a delightful house

Les Dolomies Coteaux du Languedoc 1993, £5.58. Seductively scented Syrah from the Garrigue. Full, rich and flatter-

ing. Cabernet Sauvignon Olimpo 1992, £5.98. The bottle alone

Aromatic cold turkey red. Domaine du Deffends Clos de la Truffière 1990 Coteaux Varois, £7.34. A great find. Handsome Provençal hlend of concentrated Cahernet and Syrah that should please and impress a wide range of palates. A particularly stylish magnum (£16.95 each) would make a delicious present.

Ch Le Grand Bourdieu 1990 Graves, £7.34. Appetising, crisp, classic Craves with lots of fruit and chew.

Vino Nobile di Montepulciano Riserva 1990 Dei, £9.40. Lots of punch and vigour, a good Boxing Day restorative. Savigny les Beaume Les Lav-

lères 1989 Domains Chandon de Briailles, £11.95. House wins of Moët &, this soft red bur-gundy would make a perfect accompaniment for turkey et al with gorgeous Pinot Noir

fruit and nice, appetising zip. Côte-Rôtie 1991 Domaine Clusel-Roch. £15.86. Top quality northern Rhône red made by

talented team whose sophisticated winemaking delivers a plummy, rich wine that can ter still at the turn of the cen-

Camartina 1990 Querciabella. £17.62. Sumptuous hlend of Cabernet and Sangiovese. Scented, well balanced and already approachable (although better cellared for three or four years).

ADNAMS, The Crown, Sonthwold, Snffolk Snffolk (0502-724222).

Pinot Blanc Rosenbourg 1992 Blanck, £6.15. Really rather serious for this useful, keenlypriced appellation. A good house aperitif for connoisseurs while the rest of the household might appreciate the more obvious charms of the Pfaffenheim 1993 Pinot Blanc at £4.95.

£6.20. First-class aperitif. Dryish, refreshing yet scented. Thresher with all their huying power charge £5.99, without delivery. Scheurebe Kabinett Trocken

Dr Loosen Riesling 1992,

modern face of German wine a dry white with lashings of flavour and concentration. Albariño Morgadio 1992, £10.75. Galicia's finest - a fine

1993 Lingenfelder, £9.75. The

dry white palate sharpener from Atlantic-cooled Spain. Le Marigny Vouvray Moel-leux 1990, £14.75. Great honeyed mouthfuls for the end of the meal without any heady or excess of alcohol or sickly lack

of acidity.

Puligny-Montrachet Clavoil-lon 1992 Domaine Leflaive, £25.50. A treat. A relatively early maturing white burgundy from Puligny's best address.

Lirac, Les Queyrades 1990 André Méjan, £5.95. Full, powerful, licorice-scented mouthful of southern warmth.

M Shiraz/Pinot Noir 1992 Victoria, £6.20. A hlend of Rhône and Burgundy red grape variet-ies overtly traditional in Australia, a more clandestine marrage of convenience in old-fashioned burgundy, is surprisingly successful. Slightly jammy but fruit in all the right

places and ready to drink now.

Domaine du Grand Crès 1991 Corbières, £6.45. Wild southern French wine made by an ex-Do-maine de la Romanée-Conti perfectionist from a high, isolated, beautiful vineyard.

Sablet 1993 Ch de Trignon, £6.75. Lively Côtes du Rhône. Villages red that should continue to improve over the next two years but could be order from Adnams' current Rhône offer in time for Christmas drinking.

Vacqueyras 1990 Cuvée Les Templiers, £6.95. Amazingly deep colour and very, very deep flavours. Lots of Syrah grapes in this blend which still has considerable life in it. Probably the best bargain of these three Rhônes from

Dry Country Grenache 1992 Rockford, £7.20. Non-irrigated yet juicy Barossa version of

Châteauneuf-du-Pape. Lady Langoa 1990 St Julien, £9.75. Second wine of second growth bordeaux Ch Léoville-Barton, consistently reliable

and under-priced.

Joseph Cabernet/Merlot 1992 Moda Amarone, Crilli, £12.55. South Australia meets north east Italy in this impressively balanced red concentrated by drying the grapes before fer mentation. Vibrant, lively, beautifully constructed.

ODDBINS Nearly 200 shops around the country which try to offer the full range via well-educated staff. There are also Fine Wine Shops in London, Edinburgh, Glasgow, Oxford and Cambridge which sell smaller parcels of fine wines, notably the gorgeons Moss Wood Chardonnay at £10.99.

Reuilly 1993 Aujard Mabillot, £5.99. Very convincingly fruity Sauvignon from this close relstive to Sancerre. (Buy the Menetou Salon Cuvée Vanessa for £1 more if appropriate, or the Chilean Santa Isabel Sauvignon 1994 for a rather fruitier style.)

Various north American Chardonnays £5.99 - £12.99 Some real substance here, even in the Rex Hill and Sterling versions at the bottom end of this price bracket. At the top Newton and Landmark

Damaris can also offer gloss

and some prospect of further

development. St Véran 1993, Domaine des Deux Roches, £6.49. Not a Macon trying to taste like a Côte d'or wine hut an utterly satisfying rendition of this use ful appellation, ultra-ripe for

enjoying this winter. Late Harvest Botrytis Semil-lons 1992, £7.49 and £6.99 a half, from McWilliams and Yalumba. Great rich sweet wines. Just the thing to make a meal memorable. Pity that now that the EU will allow these 'stickies' in, Australian growers have lost patience with producing them. Buy in quantity, especially the rather more concentrated Yalumba version.

Various 1993 Alsace whites, Domaine Weinbach, £6.99 --£15.99. These Faller wines are a dream - very rich and powerful, even the Sylvaner. Both the Gewurztraminer Reserve and the Riesling Ste Catherine are sublime (£10.99 and £15.99 respectively). The less expensive Sylvaner and Pinot Blanc

Terrible labels. Great value. A brace of exciting, old-fashioned, thoroughly full-bodied reds

would make great aperitifs. Chablis Premier Cru Montée Tonnerre 1992 Louis Michel, £11.99. Lively, pure, very slightly lean. Just the tickst for mornings, or evenings, after - and a very good price.

Condrieu 1993 Cuilleron, £19.99. Not cheap but a taste thrill for most who eocounter this extremely well made old-vine version of fashlonable Viognier in its home town. Ch-Grillet lookalike bottle.

Peter Lehmann Vine Vale Shiraz 1992, £3.99. Very siliy price for a wine with this much bang. Great value for enthusi-asts of Barossa's chocolatethick reds.

Havenscourt Pinot Noir and Cabernet Sauvignon, £4.99 ch. California is awash with well-made wine available in bulk (no-one wants to sully their carefully cultivated winery name with cheap estate-bottled stuff). Typical of Oddbins to create its own label to take advantage of this phenom-enon. Best value by far are these two reds, the Pinot Noir having a hit of age and rich-ness to it, the Cabernet being a mouthful of very frank, lively fruit

Peter Lehmann Clancy's 1992, £6.49. A Barossa Valley blended red with an element of sophistication.

Château Reynella Basket Press Cabernet/Merlot and Shiraz 1992 £6.49 each. Terrible labels but great value for extremely traditionally made wines from McClaren Vale. A brace of exciting, old-fashioned, thoroughly full-bodied

Sterling St Dunstans Reserve 1991, £6.99. Bargain price for a mineral-scented Cabernet blend from one of the Napa Valley's pioneer wineries (not coincidentally owned, like Oddbins, by Seagram).

St-Joseph Vieilles Vignes 1992 Cuilleron, £10.99. Scented. full, very sleek and modern. Ready to beguile already. Not a rough edge in sight.

Bourgogne Hautes Côtes de Beaunes 1992, Jayer-Gilles £11.99. Scented Pinot Noir fruit with good, serious concentration. Just the thing for turkey.





On the Cherokee trail by llama

Mark Hodson spends a night haunted by the Indian spirits and ghosts of America's past

Laura, "and whatever happens, don't let them eat the rhododendron

e grabbed the reins and set off on a trail into the heart of the Great Smoky Mountains. There of us, including two guides, and six llamas each carrying 100lb of food and camping equipment. We would be sleeping out for just

one night, but this was America so no one thought it strange that we had packed tables, chairs, inflatable mattresses, a few bottles of chardonnay and enough food to feed a

Up close, our porters were sur-prisingly handsome. They had soft fluffy coats, large doleful eyes and. contrary to expectations, they nei-ther spat nor had fearful breath. In fact, llamas like to check bumans for bad breath. Each animal walked up to us in turn and took a quick sniff hefore deciding we were friendly and harmless.

For reasons that were never explained to me, llama trekking is taking off across the US and there are 50 or 60 specialist tour groups from Washington state down to Georgia. Our hosts on this trip were Laura and Mark Moser, a young couple who live on a small farm in Swannanoa, North Carolina, where they breed llamas with the loving devotion of a Doctor Dolittle.

The animals behaved impeccably in every department but one. None could resist the lure of the overhanging rhododendron blooms which dangled enticingly from their branches, plump and white like for-

We were not being cruel by deny-

Our group was a random mix of mid-America. There was a lady from Indiana, a couple from Michi-gan, a young family from Charlotte, North Carolina, and a couple from

kee, the smallest, and was so indulgent with him that he managed to grab a big monthful of rhododen-drons. Laura spotted the lapse and chased him through a brook to yank the leaves out of his mouth. "I had to massage his gums to make him let go of it," she explained. "They like that."

Liamas tend to be docile and calm, even a little aloof, but each of our animals had a distinct personality. Buckshot was a burly 400pounder and a natural leader, Jakarta grumbled constantly with a running commentary of sighs and grunts. Lancelot, the eldest at nine years, was getting short-tempered and listless as he edged towards retirement, All were male: the presence of females can cause the animals to squabble or show off.

We tramped in single file beside high waterfalls and through thick fern. Mark pointed out honey locust and cherry trees, tulip poplar and doghobble. If we ran out of food there was always wild yam and Canadian bemlock which we could

"Hold on to your llamas," soid ing them the chance to nibble, for I away a "and whatever happens, rhododendrons are toxic to llamas and just a few mouthfuls can kill. As we ambled through the forest, over carpets of moss and through glittering mountain streams, the animals would make sudden, darting lunges at the poison leaves and we had to tug hard at their reins.

> upstate New York who had brought their teenage daughter for her graduation present.
>
> The children fell for the llamas immediately. An eight-year-old girl called Barney took charge of Chero-

View with flames: trekking with animal porters is growing in popularity across the US flavour with sweet shrub leaves. When our feet grew tired we could boil down the bark of the dogwood tree, which Confederate troops discovered during the Civil War had pain-killing properties similar to

> Every half bour or so we halted for "potty stops". When one llama decided to relieve himself, the one behind would get the same idea starting a chain reaction. We set up camp in a clearing on a

ridge with views of the dense forest below and, after pitching our tents, found we were just yards from an Indian burial ground where some two dozen unmarked graves were arranged in a rough square.
Once, all this had been Cherokee

land. In the 1830s the tribe was driven west to Oklahoma on what became known as the Trail of Tears.

It was a shameful episode in America's history and people in North Carolina still hang their heads a little when they speak of it.

round 500 Cherokee resisted the move and boled out in the mountains until 1840, when the government allotted them a 56,000-acre reservation near the Tennessee line. Some say Indian spirits still haunt these hills.

I had been on the reservation the previous day and it was a grim sight. The main settlement was a tatty strip of cheap motels, souvenir shops and "bar-b-q" shacks. At the Honest Injun Trading Shop, tourists bought plastic tomahawks and Cherokee toilet-roll holders made in

There was a tattoo parlour, a

tumbledown clapboard house with a sign advertising "FISHING PER-MITS, PIG SKINS," and half a dozen teepees by the roadside where for \$5 you could pose for a photograph with a tribal member in full headdress and face paint. The Indians call this "chiefing", their contempt fuelled by the traditional belief that a camera can steal your soul.

Along the road, poverty could be seen through every broken shutter pane. Outside the tourist season, almost half the 7,500 population is registered unemployed and the only serions money comes from two bingo halls on the reservation. All forms of gaming are outlawed in North Carelina and most surrounding states. When a \$100,000 jackpot game is beld on the reservation, coaches pour in from across the south-east as far away as Florida and Alabama.

Some people come just to stare at the natives. Good of boys with farmers' tans and baseball caps cruise by in 1970s Chevvies and cus-tomised Pontiacs, flicking cigarettes out of their car windows. This is redneck country now. Billy Graham lives just down the road and bumper stickers declare allegiance to

Up on the ridge, darkness had fallen. The llamas had settled down. for the night. We built a camplire and Mark and Laura cooked kebabs, wild rice and squash stuffed with peppers and mozzarella. We talked, as Americans invariably do at meal times, of food: jambalaya, grits and pig-in-a-blanket, the southerners' poetic name for sausage rolls.

The conversation stopped dead when a barn owl screeched from a treeton and maybe one or two minds turned to the limitus buried nearby if their spirits still baunted these parts, what would they make of us? What were these white folk doing here with their zip-up teepees and Andean pack animals? Had they driven thousands of people from this land to use it only for

In the morning I woke early to find my tent flooded. The electing hag was damp and my shoes were scaled through. The rain gods had

Mark Hodson travelled as a guest of American Airlines (Tel: 0345-789789) which files daily direct from Gatwick to Raleigh-Durham, North Carolina. Laura and Mark Moser are at 450 Old Buckeye Cue Road, Swannanoa, NC 28778 (Tel: 010 704 299 7155)...

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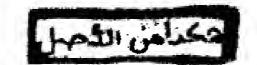
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Gerald Cadogan offers advice on subsidence

ubsidence became a dirty word in 1989 and 1990. Few homeowners had minded the odd crack in the walls until those successive dry years introduced serious

The public took fright, espe-cially if they lived on the clay beds of London and south-east England. Nearby trees were the cause of much subsidence - sucking the moisture out of the clay. In 1991 subsidence claims against members of the Association of British Insurers (excluding Lloyd's) reached

They declined in 1992 to £259m, and last year to £134m. They should fall again this year since rainfall is back to normal, the clay is swelling and wall cracks should be clos-

But homeowners' attitudes have not regained the same equilibrium - and probably never will now that subsidence has become so scary.

Buildings are not wholly solid, inflexible objects. Many have had cracks for centuries and survive happily. Timher Cracks are not the antomatic

danger they are in aircraft Work began in July 1992 and wings. But owners who suffered in the 1989-90 drought had a bad fright, like the James's in Woodford Green, Essex, who had to appeal to the Insurance Ombudsman's Burean hefore their 1930s house was mended. In 1989 they noticed an irregular tear in the wallpaper. A crack beneath one window in 1990 became by 1991 "a complex of cracks throughout the house". said Geoffrey James. The neighbours also had the problem, so together they asked a local surveyor to investigate.

That led to an insurance claim. Loss adjusters were appointed who in turn instructed structural engineers. Early in 1991 they dug inspection pits beside the foundations. Their report in April diagnosed subsidence and recommended pollarding the adjacent trees and underpinning. It would be more efficient, and cheaper for the insurers, to do the work at both houses in tandem. Their neighbours' adjusters accepted the report and invited tenders.

But the James's adjusters held back, wanting to test their theory that, if they felled the nearby trees and cleared the shrubs, the subsoil might recover over the next two years. They proposed waiting that long before authorising work - although the adjusters for next door had said "go-ahead". This was intolerable. The James's wrote to the ombudsman who advised writ-

Trees are the biggest danger. The worst offenders are oak, poplar and lime

ing to the chief executive of their insurer, Sun Alliance. Within a week he intervened and over-rode the adjusters.

continued until December. The underpinning was a massive specialist operation, costing £14,500. Repairs and redecoration by a general builder came to £11.800. The structural engineers charged £3,000, a botanical identification service which examined the tree roots £120 and the James's surveyor £1,600. Except for a £500 excess in the policy that James paid, Sun Alliance paid everything and the house stands firm. The sole hitch is that, wanting to change his bouse contents insurance policy, Geoffrey James has approached four insurers who have all turned him down, he thinks because of a question about subsidence - which he finds hard to con-

nect with contents. Subsidence does not occur on sandstone or limestone, unless there is clay nearby. Clay changes volume according to how much moisture it has, shrinking as It dries out and expanding if it gains water. As the clay contracts, building foundations may settle (subsidence). If it expands, it may

push them up (heave). Insurance companies dignify the perils of Subsidence and Heave with capital letters, but heave is not such a danger. In the 14 years of his professional career Tony DeFries, of Savills Building Consultancy has "never seen a building suffer"

One house can suffer subsidence while its neighbour does not - which makes the insurers' use of postcodes, combined with geological maps to assess risk and premiums, an inaccurate tool. The clay may be thicker or more viscous at a particular point, or the con-struction different. Cracked drains or water mains may be eroding the soil. Older bouses with lime mortar ride movement better than new ones with cement mortar.

However, trees are the biggest danger and the worst offenders are deciduous varieties such as oak, poplar and lime. And the shallow roots of the London plane look for water near the surface. Like lime, it is often planted close to a huilding and causes damage.

The Building Research Establishment advises that trees should be the distance of their mature height from the huilding, although less thirsty trees may be half their mature height. If you think a tree is making your house crack, seek advice from a surveyor and from an arboriculturist. It may be wiser to prume the tree, to reduce its leafage, rather than cut it down. (If you are in a conservation area you may need permission from the local planning authority.) You can also trim the roots.

If your house develops cracks, assess how bad they are and identify possible



causes. Inform the insurers even if you are not making a claim. They may instruct loss adjusters, surveyors or engineers to inspect the house, soil and trees, and will ask how long the cracks have been there - in case you committed the sin of non-disclosure when

you took out your policy. Experts will bave to diagnose if it really is subsidence, or the cracks come, say, from differential rates of expansion and contraction of materials in the building. That may easily take a year, to see if the cracks close in wet weather.

The BRE's table of damage runs from nought (hairline cracking) to five (structural damage, cracks over 25mm wide requiring major repairs, beams losing their bearing and the walls leaning badly and needing shoring). Causes other than foundation movement can produce cracks less than 3mm wide - the thickness of a £1

coin. If the crack is wider, foundation movement may well be the cause.

Category one cracks can be fixed using a simple filler. Category two cracks, up to 5mm, may need some internal wall lining and repointing outside to keep out the wet. Doors and windows may stick slightly and need easing. In category three, cracks are 5mm to 15mm wide, doors and windows stick and service pipes may fracture. In category four they are 15mm-25mm, and walls may need considerable breaking-out

and replacing. Many old bouses display some of this damage and are still sound. The regulations for new houses (with foundations on clay usually 0.9m deep, and up to 3.5m if there are trees

around) are so strict that subsi-Those that have suffered have been mostly Victorian

and from the first half of this

LONDON PROPERTY

century, plus some built after the second world war. And cracks can close, as DeFries has noted in a house in Hampstead, north London, where he has monitored cracks for two years for the occupier. It has now virtually recovered, and there is no need to underpin which is "a horrendous major

structural exercise". Geoffrey James recommends retaining a surveyor of one's own as "he knows the rones and can advise on all the ensuing building procedures".

He says: "If a neighbour has tha same problem, work together - not least for support on the bleak days when the family home looks set to lose its value. # A useful book, Has Your

House Got Cracks?, £9.95, by T.J. Freeman, G.S. Littlejohn and R.M.C. Driscoll is published by the Institution of Civil Engineers and the Building Research Establi

Cadogan's Place

Autumn and fall

Christmas cheer to the property market on Tuesday. But he probably will not do snything to make matters worse.

For the second year running the autumn trading season has dribbled away. Net sales in October, as measured by the Corporate Estate Agents Property index thased on more than 4,000 offices), are 7.4 per cent down from September and 5.8 per cent down from. October 1983.

Two leading indices diverge on prices: the Nationwide calculates a rise of 0.7 per cent over the year to October, the Halifax a fall of 0.9 per cent. Not all the market is in the ldrums. Winkworth, which has 31 offices across London, has had higher sales month by month from January to October than in 1993. At the top end of the market, Jackson-Stops has sold Thornhaugh Hall estate in Cambridgeshire for above its guide price of £1.6m and, in Cornwall, Knight Frank & Rutley sold Bar on the Helford Passage for "significantly" above its guide of £1m.

Farms have also done well with the average value of land free of buildings rising 11.7 per cent in the first half of 1994 and 21.1 per cent in the year to June 1994, according to Savills.

If a farm does not have an attractive house, says Richard Gayner of Carter Jonas, neigh-bouring farmers looking for economies of scale will be the buyers. That is not true for Bluey's Farm in the Chilterns near Marlow, however, which has a brick and timber 16th century farmhouse. It once-belonged to Bluey Mavroleon of the Greek ship-owning family. It goes to auction in Henley-on-Thames with a guide price for six lots of more than £1.125m. Inquiries to Cole Flatt (0442-870444) or Lane Fox (071-499 4785). In the middle range of

houses, Carter Jonas had a

he chancellor is notable success in the anction unificely to bring pre- of the former rectory at Swinbrook in Oxfordshire. At a guide of £400,000, it went for £592,000. The local family that bought it will have to spend a considerable sum doing it up.

For regular sales, however, the price must be competitive. Pullen's End, a splendid large Victorian house in Oxford, was on the market for a week at £1m. Then realism prevailed. It is now on offer from John D Wood (0865-311522) at £700,000:

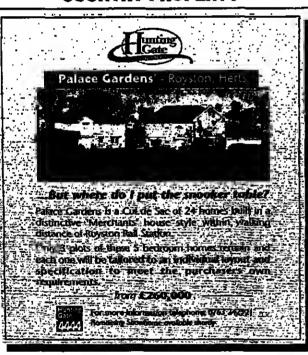
Even romantics who want to live in castles are insisting on realistic prices. An illustration of how the market has changed is Broncroft Castle in the Corve valley, which Andrew Grant in Worcester sold recently. The asking price was £975,000. Four years ago it sold for £1.75m.

In Blackheath, south-east London, a wing of Vanbrugh Castle designed for his own use by Sir John Vanbrugh, who was also the architect for Blenheim Palace and Castle Howard, is on offer from Winkworth (081-852 0999) for 2395,000. Listed grade I, it has a big 32ft x 17ft drawing room with views across Greenwich Park to St Paul's Cathedral (on a clear day) and shares a two-acre garden with the other parts of the castle.

Most romantic of all is a castellated dairy at Fort Putnam near Penrith in Cumbria. The "fort" is one of three late 18th century "folly farms" that the then Duke of Norfolk built on his estate at Greystoke Castle. A splendidly perverse Whig. he put them up to celebrate American victories in the War of Independence. One of the Hill. Fort Putnam is listed grade II and is being converted to a two-bedroom cotfage. It, is at £75,000 from Lowther Scott-Harden (0768-64541).

Gerald Cadogan

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Blankets for the beds in winter

Robin Lane Fox on how to deal with semi-hardy plants

his month has heliotrope, pelargoniums and proved remarkably mild in the south of England and a hard winter still seems a distant possibility. The ceanothusis are back in hud; evergreen choisysas are having a second flowering, and, out of doors, the fuchsias have still stopped. It is strange to be picking small bunches of roses when tha larch trees hava finally turned into the countryside's last burst of yellow.

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Bnt take no chances and believe no signs of kindness: mother nature can he cruel and 1 do not trust her to behave herself from this weekend onwards.

Any misbehaviour is hurtful to gardeners because we are all growing more semi-hardy plants than we used to 20 years ago. They multiply easily for the many small nurseries which have arisen since 1985. They look clean and fresh in late spring – exactly what supermarket shoppers now expect from plants. And they transform gardening in pots and small urban spaces.

Since 1981-1982, we have not had the sort of winter which makes us all swear, briefly. never again. In normal winters salvation can come in different forms. Here are the options (doing nothing is not one of them - and doing everything is

Perhaps the geraniums are still flowering, but you are very lucky because they ought to have died weeks ago. Most of next season's half-hardy plants for pots will be much better if they are grown afresh as newly-rooted cuttings in 1995. All of my personal favourites are better thrown away, except for one or two parent plants from which cutting should be taken early next year of young growth which is being brought on under slight

Plants such as verbena,

penstemons will flower less freely from their second year onwards. All you need to keep is a parent, or perhaps two, to cover yourself against disaster. The others might as well be thrown away.

The only excaptions are plants grown for their leaves. Hare, the lovely forms of scented geraniums are admira-hle companions during winter inside the house. Trim them slightly at the tips of their stems to stop them becoming straggly, but save as many as yon like because they improve with age. So does the widelygrown Helichrysum petiolatum

The wrapped plants lived but their unsheltered neighbours were dead

with its felted grey leaves. It is worth training one or two plants in a large pot where they can be clipped and trained into mounds of grey leaves on a framework of arched wire from one season to the next.

Otherwise, the plants which you lift can be clipped hard -very hard if they are tender geraniums which will otherwise become too leggy. For safe storage, they do not

only need a place where the temperature will not fall below freezing. They also need light and air. In this mild spell, the dangers have been mould and mildew, especially on anything which was lifted with flowers and leaves waiting to turn

Many of my soft plants begin the winter in a frost-proof shed, which is only frost-proof if the door is kept firmly shut. Closure encourages mildew.

especially if you overwater. Remember to open tha door on mild days and try not to water too often when your plants are only ticking over. Once every 10 days is usually quite

enough. Perhaps this lifting sounds too energetic and you are short of storage. On the margins of hardiness, you have another option - leave the plants out-side and wrap them in a suitable hlanket. A mound of bracken used to

be the best answer but the business has changed - even though though most of the gardening books do not acknowledge it. Instead of bracken and rotted leaves, we can all use artificial blankets. The best of them allow water to seep through, avoiding the dryness which bracken usually causes.

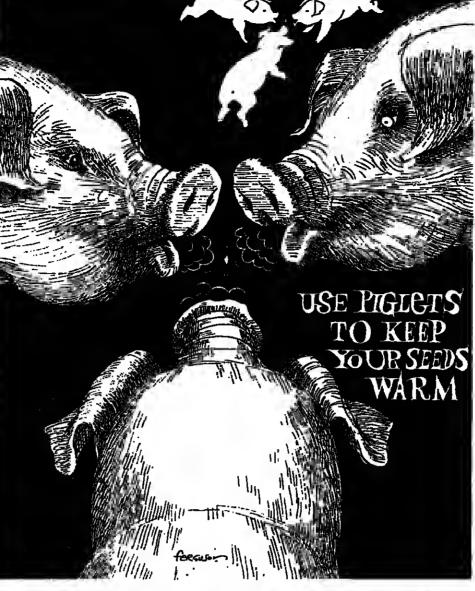
They take the edge off cold
wind and mitigate the sharpness of an average frost. After three year's experimenting, I now swear by them and reckon that we all have more to learn about their possibilities.

To the trade, they are known

as crop covers and are most familiar when protecting early vegetables and seedlings. Garden centres now sell the ligh-ter grades of blanket in small pieces for gardeners with a plant or two to be protected.

These fibres and fleeces are helpful, but they are not as heavy as I would like for serious defence of big shrubs and soft summer-flowering plants. This year I am following up my researches at the summer flower shows and opting for the Envirofleece made by Agralan. Their blankets are beavyweights on wide rolls and trade discounts should apply to those of you who need 100m lengths at a time.

Two new weights in this brand are the Agralan Envirofleece 30 which is a medium grade for small shrubs. half-hardy horder plants and things such as salvias through-



out the winter, and the Envirofleece 60, a heavier grade for large shrubs and climbers. Both these fleeces are made

from polypropylene and are easily pinned round and in front of the plants whose hardiness causes you most worry. But why bother, when a really heavy frost will have its way regardless? From my experiments in recent winters, I have found that it is worth the modest expense and effort. In generally mild winters there have been a few short sharp shocks sufficient to knock out unprotected marginals such as Hebe hulkeana, the taller dai-

sy-flowered osteospermums

and the tender forms of salvia

and diascia.

Those which I wrapped in lightweight fibre-blankets had survived when I unwrapped them in April. Their unsheltered neighbours were stone dead, as usual. No doubt a really ferocious winter will go through your Envirofleece and be as lethal as ever, but these gentler seasons have certainly been abated by these new protections.

The trouble is that most of them come in an intrusive shade of fleecy white which then turns dirty grey like a sheep in a wet November. Agralan have introduced a pale green medium fleece which takes the edge off the eyesore and is adequate for smaller

By lifting a few parents and blanketing the best of the rest, it should be possible to avoid the casualties which disfigured gardens in the 1970s and 1980s. Every pest is quick to outwit

the latest predator and no doubt, mother nature will hit us with a really hard one just when I think that I have blanketed her out.

Until she does, fleece the plants at risk during the next few weekends; peg the blankets down or weight them into place with stones before the winter fleeces the plants from you instead.

■ Agralan, the Old Brickyard, Ashton Keynes, Swindon, Wilt-shire SN6 6QR (Tel: 0285-860015).

Battle of the jumbos

pick up market share. Any passenger with a con-firmed ticket who risks being bumped off an overbooked flight should stand his ground in the check-in line. Airlina staff will try to persuade passengers to step aside to sort out the problem to avoid delaying the entire check-in process. Those who agree will miss their flight. Those who make a fuss will get a seat, usually

with an upgrade. Liberalisation, globalisation and consolidation in the indus-try have other implications for passengers. For the past few years, airlines have all been jostling to form alliances, buy equity stakes in each other, and to form commercial part-nerships to extend their global reach and market penetration.

The prevailing trend has been code sharing agreements. Bob Crandall, the chairman of American Airlines, the world's biggest carrier, describes these deals as "the great deception". Code sharing enables two air-lines to use their ticket codes on each other's flights. A passenger may think he is flying BA all the way from London to Cincinatti because his ticket says so, but ha might be changing aircraft in Pittsburg and continue his journey on USAir, BA's financially troubled American partner. What you expect from BA is not what you may get from USAir.

ing to change the nature of air travel. Jet legs are getting lon-ger. New Airbus and Boeing airliners can fly non-stop for 15 hours or more, and the manufacturers are already studying the development of 800-1,000 seat double-deck super jumbo aircraft, which could transform long distance air travel into an extended city rush-hour crush. How are you going to make 16hour non-stop journays bear-able? Airlines are already developing new high-tech entertainment systems including electronic gambling and

Technology is also continu-

multi-channel videos. Richard Branson pioneered the idea of bringing back a sense of fun to air travel when he started his airline 10 years ago. He introduced first class travel at business class prices, an extensive library of in-flight entertainment, in-flight massages, the possibility of order-ing a suit just hefore taking off in London to be ready on arrival in Hong Kong, and, according to some of his stewardesses, the tradition of giving a resounding send off to any passengers graduating to the "mile high club"; those who succumb to the sexual arousement long flights are said to provoke.

That is Virgin's special style. but its bigger airline rivals are also adapting to the new demands of long distance trav-ellers. It is no longer just a question of price and comfort. It is also the introduction of Egypt.

sense of well-being in the skies by becoming more conscious of

the health needs of passengers. For the future super jumbos, BA has already drawn up plans to include lounges and gyms, even possibly a swimming pool on board. Airbus has also been working on designs for its proposed A3XX jumbo with self catering cafeteria-styla facilities on board to avoid the problem for the crew of feeding up

to 1,000 passengers. Mass air transport is not only becoming a logistical headache for consumers but a health hazard. This is not because modern jets are dangerous (they are far safer than road or rail transport), but because hours spent crossing time zones in a cramped cabin with the same oxygen level as Mexico City is bad for you.

Just like pilots, passengers are having to monitor much more carefully what they eat, drink and do on long trips.

Businessmen, politicians and diplomats have made serious errors of judgment straight after a long journey

And airlines are already adapting their in-flight service to respond to the new health issues raised by modern jet transport. They are increasingly offering lighter meals and introducing more long distance non-smoking flights despite the risk of losing business in some markets.

In adding leisure facilities to their aircraft, airlines are also responding to research which suggests that it is a waste of time to work on a long flight. Studies by the Royal Air Force have shown that It is difficult to concentrate and to assimilate many new facts on a long haul flight. Jet lag is also known to cause loss of efficiency on arrival, and has led many husinessmen, politicians and diplomats to make serious errors of judgment straight after a long journey.

John Foster Dulles, the late US Secretary of State, admitted just before he died to a critical mistake that probably led to the 1956 Suez crisis because of jet lag. Immediately after returning to Washington from a Middle East diplomatic shut-tle, ha learnt of President Nasser's agreement to buy arms from the Soviet Union. Tired and angry, he decided to cancel a big loan for the Aswan dam project in Upper Egypt. Tha Suez conflict followed with the subsequent nationalisation of the Suez canal and war with

Motoring/Stuart Marshall

Range Rover is no stick-in-the-mud

This mobile drawing room can be taken for a rough ride

was like a switcbback - glutinously mnddy on tha peaks, deeply waterlogged in the troughs. Bushes scraped the sides of my Range Rover 4.6 HSE automatic as it dealt effortlessly with terrain on which few people would risk a valuabla horse.

So what was I up to, treating £44,362 worth of air conditioned, wood and leather trimmed mobile drawing room as cruelly as a farmer might a battered old Land Rover?

It was all the manufacturer's doing. "Come to Eastnor Cas-tle," an executive had said. "I know you liked driving our new Range Rovers on the road; now spend a day trying them over the rough stuff." (He could have added: "Where only one buyer in 100 ever drives

Eastnor Castle estate providas the best (by which I mean the worst) terrain in Britain on which to play with a 4x4. Barring snowy wastes, rocky screes or desert sands, you can find any kind of surface that an on-off road four-wheel drive could be expected to cope with or climb up. With one exception; tha proverbial high kerb ontside Harrods, which is the toughest obstacle most Range Rover owners reckon to surmount. Major Ben Hervey-Bathurst, ous of all Range Rovers.

he woodland ride who for years has allowed was like a switch-Castle estate to test its products to destruction, could provide one if asked. This archetypal English country gentleman has managed, with the aid of bulldozers and, it is rumoured, occasional explosions by army personnel in training, to provide absolutely everything else.

Coincidentally, 1 had s Range Rover LSD - the model with a BMW 2.5-litre turbodiesel engine and manual gearbox - on test. On the 400-mile return trip from my home to Eastnor it motorway-cruised in near silence at business motorist's speeds, rode and handled almost like a luxury car on A and B roads and returned a more than satisfactory 24.7mpg (11.44 l/100km). This bluff fronted, two-tonne, on-off road vehicle is no heavy drinker.

But back to serious off-roading. There used to be a golden rule for driving off-road. Never touch tha brakes. On steep, slippery hills, rely entirely on the drag of the engine in low range first gear to control the rate of descent.

This meant automatics were inclined to run away. But the Range Rover has ABS brakes. I was allowed a dab on the pedal to keep the 4.6 HSE nicely under control on muddy slopes weners reckon to surmount.

No doubt the resourceful Nothing fazed this most huxuri-

An air suspension that can be set to five different heights is also standard equipment. The lowest setting is to make it easier for women in tight skirts to enter and leave with dignity. And the highest gives enough extra clearance to let It be driven over bumps on which lesser machines might perch balplessly, all four wheels off the ground.

On the road, the Range Rover's heavy beam axles prevent ride comfort - good though it is - from being equal to that of independently suspended luxury saloons such as BMW's 7-Series, the Mercedes S-Class and Jaguar's XJs. But off road, the Range Rover has no rival. Extreme axle articulation keeps all the

wheels on the ground while the soft air suspension takes the sting out of what would otherwise be horrifying bumps. A slightly less expensive (£36,512) 4.0-litre V8 petrol engined Range Rover with automatic transmission went just as well as the flagship 4.6 HSE but my favourite, on as well as off road, was the 2.5-li-tre turbo-diesel. It costs the

sama as the 4.0-litre V8. On

road, 1 prefer automatics (a two pedal diesel is coming next year) but I still think there is nothing like manual transmission for serious off-roading. On hills on which ABS brakes were needed to curb the automatic V8's urge to run away, the turbo-diesel wound itself down slowly with the sure-footedness of a mountain goat. With bucketfuls of torque

> wheel spin. Most of the people who drive Range Rovers - or for that more affordable version of the matter Shoguns, Land Cruisers. Troopers and the rest -

(pulling power) at low revolu-

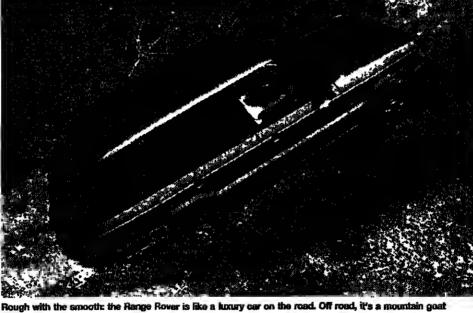
tions, it climbed steep slopes in

third gear without excessive

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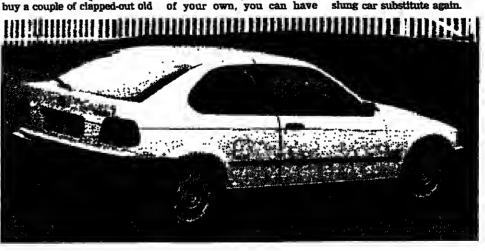


have not the slightest idea of the off-road capability that has been built into them. Many are not interested. But any who are should take advantage of the off-road driving courses offered by the manufacturers and independent specialists. Beware of the operators who

used quarry. Vince Cobley, who runs offroad events in Northamptonshire, says an inexperienced driver of a 4x4 on rough terrain can be a disaster. His firm, Pro-Trax, can provide vehicles and tuition. But if you have a 4x4

tuition and then try serious off-Land Rovers and rent a disroading on a course that will leave your vehicle dirty bnt undamaged. Call him on 0536-770096.
After a day's driving through

mud and water, I promise you will never look upon your onoff road 4x4 as just a high-



A BMW to tempt Golf and Escort drivers

instant rapport

MW stresses that its new 3-door Compact is not a hot hatchhack but a smaller. 3-Series saloon. Although 9ins (22.5cm) shorter, it has the same wheelbase and interior. What you lose in luggage room - and it is not very much - you gain in accessibliity hy having a tailgate instead of a boot lid, plus split folding rear seats.

Prices of the eight-model range start at a remarkably low £13,350 for the 316i and go up to £18,020 for a 318ti Lux antomatic. A 318 tds turbodiesel, priced around £14,500, is due early next year.

The two Compacts I sampled were the cheapest 3161 and 38.2mpg (7.4 l/100km) for the 318ti (£15,290). They were typi-1.6-litre and 34mpg (8.31/ 100km) for the 1.8-litre. The cal BMWs in every way: rearwheel driven, solidly built. turbo-diesel should return well mannered and refined, 47.9mpg (5.9 l/100km). with a suppressed eagerness. Standard equipment includes ABS hrakes, driver's Of the two, I preferred the 316i (pictured). Its 1.6-litre, 8-valve,

side airbag, power steering and central locking with 102 horsepower engine sounded sweeter than the immobiliser – but you must huy your own radio. more vigorous (140 horsepower) 16-valve 1.8-litre. BMW GB says the Compact I felt I could live with its is designed to attract former

owners of the lapsed, oldless argent - though still more than adequate - acceleration shape two-door 3-Series. No doubt it will. But I can see it and lower theoretical maximaking plenty of VW Golf, mum speed because it was a Ford Escort and Vauxhall car with which one struck an Astra owners contemplate buying their first BMW. Sensible drivers could expect





Clough: a top boss but no saint

Philip Coggan tackles a controversial autobiography

is a common mistake to assume that sporting heroes are all-round lovable individuals. Even though Paul Gas-coigne can dribble round defenders and find a colleague with a 40-yard pass, he would

not be most parents' choice as the ideal son-in-law. It is thus with a heavy heart that one approaches Brian Clough's autohiography. Much as one admires the man's managerial record, his strident television appearances conjure up fears of a 200-page long taxi

driver-style rant. The book is not that bad, although the first chapter might have come from a Monty Python style script conference. The opening sentence - "If ever I'm feeling a bit uppity, whenever I get on my high horse, I go and take another look at my dear Mam's mangle

that has pride of place in the dining-room" — Is ripe for delivery by Michael Palin. Later on, we get Clough the philosopher: "It's not the fash-ion to say this nowadays, but a woman's joh is to be there (in the home)." Thanks, Brian, hut Bertrand Russell can rest easy in his grave.

One unexpected emotion that leaps out of the fcotballing section of the book is sadness. His playing career was cut short by a knee injury, without the international recognition that he clearly felt he deserved, and his record appears to justify (204 goals in 222 games for Middlesbrough but only two caps for England).

His outspokenness ensured that he never became manager of his country but now, ironically after his retirement, the

Foothall Associetion has finally appointed a coach with a controversial record and a Clough-like devotion to the

Nottingham Forest too long, as he readily admits, so his distinguished career ended, not with an FA Cup final appearance in 1991, but with relegation in 1993. By thet stage, his youthful good looks had gone and his face ravealed the ravages of a problem confessed in the epilogue - he drinks too much.

Then there are the breakdowns in personal relation-ships which litter the book. His appointment as skipper split the Middlesbrough team into two camps. He describes his first chairman as "one of the met". He encountered sullen hostility from the players at Leeds and lasted only 44 days

with Peter Taylor. It is easy to forget hut the greatest successes of Clough's career - the League championships, the European Cups - were achieved as part of a double

which excused the latter's habit of "sllpping off" home at the earliest opportunity, was perhaps dna to his assistant being the only person at the club who was not intimidated by him. While the odd player gets an honourable mention, such as John Robertson and John McGovern, tha book is dedicated to Taylor.

passing game. He lingered on as manager of

most evil men I have aver Saddest of all is the break-up

act. Taylor's personality.
Clough's fonders for Taylor's personality.
Clough's fonders for Taylor, Clough; his book is not that bad, although the first chapter might have come from a Monty Python style script conference

Cricket

Gladiators

the artist

Teresa McLean visits an exhibition

Yet in the seven years that preceded Taylor's death, Clough admits that he spoke only a few words on the telephone with his old colleague. They had fallen out when Taylor, then manager at Derhy, had poached Robertson from

Nottingham Forest. One revealing passage in the book says it all: "It was an astonishing and hitter end to our relationship, but my con-science was untroubled. I didn't instigate it." That fierce

pride kept Clough apart from his old friend

And pride also lies behind the most controversial part of the book - the section dealing with the Hillsborough disaster. Yorkshiremen are often proud of their plain speaking, of their willingness to call a spade a bloody shovel.

When it applies to criticism of chairmen, football commentators or FA hureaucrats, plain speaking can be amusing. But when the subject is a tragedy. when the only result of your words is anger and anguish among the relatives and friends of the dead, then the wise man keeps his silence, however sincerely held his

Therein lies the paradox of sporting achievement. The same pride that causes Clough to give needless offence is the quality that kept him going through the disappointments of a wrecked playing career, the departure at Derby and the

short stay at Leeds.

And Clough was undoubtedly in the top drawer of man-agers. Not only did he win the Championship with two differ-ent clubs, but Forest retained the European Cup - both extremely rare achievements. Not only was this done with a slick passing and entertaining style and an excellent disciplinary record, but it was done at cluhs with modest resources. Alex Ferguson, with

all his Manchester United

internationals, is struggling to qualify for the last stages the

European Cup. How did Clough do it? Readers hoping for the magic tips to managerial success will be disappointed. Clough insists he kept it simple - defenders had to tackle, and centre forwards

had to score.

Apart from that, his main secret was to keep the players relaxed and to insist on train. ing with the ball, rather than by Brian Clough with John mindless round-the field runs. Sadler. Partridge Press, £16.99p.

Rugby/Tom Fort

By the end of his career, that admirable precept had become a weakness, as Forest players failed to match the fitness of their opponents.

But maybe simplicity was the secret. Sport is too often over-intellectualised. An iron will, allied to a few basic principles took Clough to the top. It did not, as his autobiography

reveals, make him a saint. ■ Clough, the Autobiography by Brian Clough with John



They are in the right spirit for the Ashes struggles. The poster advertising the exhibition is taken from a screenprint of a hatsman at the wicket, his bat, front pad and gloves closely aligned as the only hope against the bowling. When you look at the picture, you are tooking down the wicket at him. The picture is called The Gladiator, and that is how the artist, Andrew Aarons, sees every modern cricketer – "a hero, a gladiator, going out and conquering".

Trying to conquer, at any rate. Long spells of defeat makes the contest, such as England cricketers and cricket fans were experiencing until last summer, grim as well as life-threatening.

In the winter of 1992-93, England lost all four tests against India and Sri Lanka pefore going on to lose their third successive Ashes series the next summer. When Mike Atherton took over the captaincy from Graham Gooch, and won the 1993 Oval Test, too late to save the series, it was England's first Test victory in 19 Tests against Austra-

As any English cricket fan knows, watching a losing team is hard work. And so is playing in one, with the constant expectation of more failures to come as well as those already accumulated. In the unlikely event of a triumph, such as Graham Gooch's courageous 65 and 133 against Australia at Old Trafford in 1993, it is a solo triumph, bereft of team support. When Gooch performed thosa heroics, only one of England's other first six scored as many as 30.

No wonder Aarons speaks in fighting language of those who watch sport. "They are partici-pating in the contest; they are out there for the kill and the blood."

Spectators in Aarons' pictures watch their heroes keenly, fiercely, aggressively. With crowd uniforms differentiated from each other only by brightly coloured ties, they urge fearful batsmen or battered boxers to keep fighting. It is interesting that Aarons

sees cricketers, boxers, sumo

wrestlers, tennis players and

jockeys as the great champions

of modern sport. They give their followers an individual truth. Aarons paints rughy scrums, with a corporate muscularity in numbers, but he rarely paints cricket teams, nearly always individual crick- porary cricket. He does not

coach, and is free to hold team

eters. He is an artist, not a spirit in artistic contempt. It was no surprise that he picked Ian Botham as the supreme gladiator of contem-

paint Botham, or anyone else, as an identifiable player, but as an embodiment of cricketing ment. "He's got this incredible personality. You know, when you're at Lords and he's walking to the middle, this tiny littla dot, and he's radiating

but batsmen are the ones who have to survive. Aarons told me how he learnt this from experience. He went to Camberwell Art School when only 13 years old and in his first summer went on a school outing to the Isle of Wight. The man who ran the youth hostel whera they stayed was a cricket fanatic and challenged the art school to a game.

Camberwell was the bome of one of the first fine cricket art. ists, Nicholas Wanostrocht, nicknamed Felix. Felix painted many an early 19th century cricket portrait and invented the awesome Catspulta bowling machine to teach schoolboys how to bat. The art school had a tradition to uphold.

Aarons saved Camberwell's honour hy turning, nicking and snicking the Isle's fast bowlers for at least 40 runs, far more than anyone else on his losing side. From that day he was a cricket addict.

His wicketkeeper, guarding the entrance to the exhibition with hnge, gloved hands, is drawn in Conte crayon which suits the wicketkeeper's joh. Everything is black and white with sudden dashes of grey. No

Aarons finds wicketkeepers breathtakingly exciting. I could not agree with him that they stand much closer up to the stumps nowadays. Surely no contemporary 'keeper would stand up to Alec Bedser's fast medium swingers as Godfrey Evans did in the 1940s. But I know what he means hy the special flamboyance of today's wicketkeeping, using television replays to emphasise its spec-

tacular achievements. Aarons gives us a creative, handmade version of the dramas which cricket photographers record. He continues cricket artists' custom of making a good number of etchings and prints, so cricket lovers can afford his art. They are not cheap, but cheaper than paint-ings. His Gladiators screenprint costs £225 plus VAT. A small selection of Aarons work remains on show at The Bodilly Galleries, 71 Lensfield

Road, Cambridge.

Bloodletting and beer he Rughy Foothall Union has embarked on a crusade to win Bowlers pile on the pressure, hearts and minds or, as the RFU puts it characteristically, to "transmit the rugby union message". This cam-paign has already achieved one

extraordinary feat: that of having a slogan which surpasses in staleness and fatuity anything the political parties managed to dream up for their autumn conferences. The railying cry is – hold your breath – "Rugby Union Rules OK". Catchy, eh? In a publication called "Working With The Media", it is pres-

ented in the form of a mnemonic. Thus, "R is Rugby" the greatest game in the world. "U is for Unconverted", not tries, but people who do not realise that rugby is the greatest game in the world. "G is for Grass-roots rugby" the greatest game in the world at its lowest level.

Fort's aide de memoir would have proceeded rather differently. "R is for Roughhouse" if legalised maybem is to your taste, this is your game. "U is for Ugly" no prejudice here. "G is for GRRRR" the battle cry of front rows preparing to engage. When we come to B in this publication, the extent of

Arnie Wilson and Lucy Dicker

are attempting to ski every day of 1994 on a round-the-world trip. With five weeks to go, they

here is another Colo-

are in North America.

skiers have ever heard.

mile-high city.

side," he explained.

Linde at Eldora, the nearest of

the "front range" resorts to the

"They put their foot down on

Inlerstate 70 and head for the

Eisenhower Tunnel and the

famous resorts on the other

It takes a little imagination.

perhaps, to turn off and

explore resorts such as Eldora.

Loveland and Winter Park

is Blast Out The Message" that rugby union is the greatest et cetera et cetera. But to 99 per cent of those who play the greatest hlah hlah, B stands for nothing of the sort. "B is for Beer" the fuel on which rugby

Nowhere does the pamphlet mention the stuff. There are pages of worthy advice on get-ting youngsters off street corners, hlending healthy athletic exercise with the unique bonds of friendship which a team game bestows, and so on. But there is not a squeak about the activity which in any rughy club comes second only to the husiness on the field - and in a good many takes precedence even over that - namely, tipping your head back and pour-

ing ale down your throat.

The heart of a rugby club is its bar, and its purpose is to slake the mighty thirst of players and supporters.

But the collective mind of the powers at Twickenham has turned to higher ideals. The ethos of white wine and soda appears to prevail, and the air is thick with exciting concepts of marketing, image-enhancement, community links. Muddy boots, jugs of hitter, carthorse props with vast paunches, all

the cop-out becomes clear. "B this belongs to the dark ages." Rugby union is becoming clean-living, diet-conscious, media-oriented, self-aware.

The central message in this document is that the game must be "bolstered and promoted". To be fair, much of the advice it contains on how to secure decent media coverage is sound, if rather obvious. But while it is full of tips such as

'The recurrent theme is that immense quantities of beer have been consumed'

this: "Newspapers, radio and television love children. They make good copy", it is conspic-uously silent about the other species of story beloved of

inquiring hacks. These are the tales of pillage and destruction, of hotels and bars drunk dry and wrecked, of air hostesses leered at and pinched, of bottoms bared; of loutish pranks, dirty ditties, rampant rowdyism and oafish-ness. The recurrent theme is

that immense quantities of beer have been consumed.

Nor does the RFU have anything helpful to say to its press officers about another murky aspect of the greatest game: foul deeds on the pitch. They are urged to titillate sports editors with jolly items about long-serving tea ladies, monoglot Japanese recruits, and photogenic women players.

But are they to be equally

forthcoming about the sku-Ilduggery and criminal nastiness which reduced last Saturday's local derby to a tribal

bloodletting?
The RFU may prefer to pretend that rugby is a game for
anyone, of whatever size, sex, colour, creed, age, tempera-ment and taste, who happens to enjoy chasing an oval ball around a playing field.

It is, in fact, a tough, rough, messy, muscular form of wargame, forbiddingly complex in its rules, immensely difficult to play well, with an ineradicably dark side to it. It is for people who have a touch must either the control of the control who have a tough, rough side to them, who enjoy doling out a little punishment and do not mind taking it, who relish getting hot, dirty, hruised and exhausted and who, generally speaking, fancy a pint at the end of it all.

FT Ski Expedition / Arnie Wilson

Denver detour

rado. Off the beaten track, far away from which do not have the internathe glitz of Aspen, the tional clout of Aspen, Vail or might of Vail and the great Ski Summit County but attract the Summit circus of Breckenlocal skiers from Denver. The ridge, Keystone and Copper road to Eldora takes you into Mountain, are the folksy old another world - through ski hills of which few British Pickle Gulch and Gold Dust Village into the old gold-min-"Most skiers leaving Denver ing territory of Black Hawk have tunnel vision," says Rob and Central City.

They still pan for gold here Vic's Panning shack is one of many still operating. And if anyone hits pay-dirt, the casinos - Rich Man, Gold Mine and Bronco Billy's - or Prospectors Poker Parlor and the Silver Hawk Saloon are handily placed to ensure the spoils are quickly ploughed back into

the local community. Apart from some good, steep

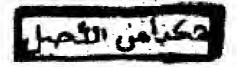
skiing in Moose Glades and Jolly Jug Glades, and some tough runs such as Ambush and Psychopath, Eldora is most famous for being kind to

It has won friends by helping in a study of the rare Rocky Mountain capshell variety, claimed to be among the oldest living creatures on earth. After sending in teams of divers to investigate, the resort started limiting the amount of water taken from Peterson Lake for snow-making in case its demands were reducing the snall population

Winter Park is kind to local pond-life too: the trout population has been protected hy huilding a culvert over a stream which crosses the slopes. Owned by Denver, Winter Park supplies much of the city's recreational needs in winter and summer. With 113 trails and a vertical drop of more than 3,000ft it is one of the largest ski areas in the US but has little international traf-

It is also just about the only significant ski area left in the west still served by a ski train. The Rio Grande train leaves Denver's Union Station each Saturday and Sunday at 1.30am for the spectacular 70mile journey meandaring through rocky gorges and almost 40 tunnels to the ski area, leaving again at 4pm

sharp. Loveland claims more terrain than Aspen Mountain, a higher base than Steamboat's summit and more snow than almost any other Colorado resort, yet most skiers roar past it on their way to Summit County and Vall





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Scene from 'Lovel Valour' Compassions' by Terrence McNaffy, the first big hit of the season playing in the non-profit making Manhattan Theatre Club

Drama on off-Broadway

Karen Fricker reports on the changing face of New York theatre

ight this be the year that the Tony Awards will be finally forced to change? Though it has been true for years that the centre of the American theatre has shifted off-Broadway and to the regions, the Tonys, the annual awards that are the most visible manifestation of American theatre, have maintained their policy of honouring only Broadway shows. But recent events have sounded Broadway's

death knell londer than ever before. First was playwright Neil Simon's announcement that he is bringing his next play, London Suite, to an off-Broadway theatre when it reaches New York after its current Seattle engagement. "It's just not economically viable for us to go to Broadway any more," said Simon of his decision; bringing a straight play to Broadway costs a minimum of \$1.5m, as opposed to \$0.5m off-Broadway. This is a scathing indictment indeed from the only American playwright whose name still guarantees a certain level of financial success on

A further blow was struck with this week's announcement that Tony Kushner's Angels in America, the most lauded and hyped Broadway play of the past decade, is to close on December 4, felled by dwindling audiences and high overhead costs, having recouped less than 70 per cent of its backers' investment. Meanwhile, the best-received American play since Angels, Edward Albee's Three Tall Women, continues its healthy run at the Promenade Theatre - off-Broadway. Only one new American play is set to open this year on Broadway, while off and off-off Broadway is buzzing during the busiest theatrical autumn in recent memory.

The first big hit of the season is Terrence McNally's warm and very funny ser-io-comedy Love! Valour! Compassion!, which is playing at the non-profit making Manhattan Theatre Cluh through January

15, with plans for a commercial transfer. Unabashedly gay in its milieu and view-point, and addressing as it does the search for love and the ever-presence of death in the age of Aids, the play inevitably begs comparison to Angels in America, but Love! Valour! Compassion! neither aspires to nor achieves Angels' scope nor its level of socio-political commentary. McNally's gift is his ability to create believable characters and evocative situations in which exhibit their foibles and strengths; he also writes some of the hest laughs lines.

his play finds McNally straying further from tha traditional domestic comedy form than he has in recent years - characters break from the action to speak directly to the audience, and time flows freely between flashback and forward action.

The play follows the events in the lives of eight gay men over three holiday weekends in an upstate New York country house. As the house's owner, famous choreographer Gregory Mitchell, endures and overcomes creative block, his angelic, blind boyfriend fends off the advances of a sexy Puerto Rican dancer and tries to find sense in his sister's tragic death. The 14year perfect-couple relationship of Perry and Arthur endures quiet crisis ("we're role models," explains Perry, "it's very stressful"), while Buzz, a musical theatreobsessed, HIV-positive costume designer falls in love with James, an Aids-infected Brit who comes to America to mend the only weak link.

bridges with his mean-spirited twin brother (both twins are played, in a bra-vura turn, by John Glover) and to die.

But to dwell on plot is to miss the point, The play is at its weakest when it gets hung up on storytelling and at its best at evoking that languid holiday atmosphere in which nothing much seems to be happening, except moments that the characters will remember for the rest of their lives: bantering exchanges in hammocks and on lakeside rafts; spontaneous skinny dips (frontal nudity is rampant in this play as is, for that matter, ribald language): dinner parties that unexpectedly turn ugly; over-competitive tennis games; charged late-night encounters.

Joe Mantello's lovely, intelligent production meets the play more than halfway, playing up its lyrical qualities without stinting on pace. Mantello and set designer Loy Arcenas have wisely given the production a unstructured, non-literal design, creating a heightened world in which the play's breaks from naturalism make per-

The ensemble is, on the whole, first-rate. Stephen Spinella, in his first performance since his double Tony-Award winning turn in Angels in America, is admirably restrained as the uptight businessman Perry. Nathan Lane, one of America's funniest actors, reveals the hreadth of his dramatic talent in the showman's role of Buzz: his transformation of a third-ac speech about why life should be more like musical theatre from a show-off rant to an agonised cry heautifully captures the play's funny-tragic spirit. Stephen Bogardus, sporting an unconvincing stuiter and an uncomfortable manner as Gregory, is

Arts face Budget blues

Antony Thorncroft argues the case for cash-strapped companies

until the cavalry arrives. "No", says Mary Allen, secretary general of the Arts Council. "Yes", says Stephen Dorrell, the heritage minister.

The nation's arts companies are grappling with unprecedented debts of at least £12m. The National Lottery is coming to their rescue, with the first grants in April. By then it could be too late for some. The lights are going out in January at the Salisbury Playhouse and the Redgrave at Farnham. The Yvonne Arnaud in Guildford is under threat. The Everyman in Cheltenham has been forced to embark on co-productions with the nearby Bristol Old Vic. The Northcote at Exeter has become a receiving house, not daring in risk its own productions. Regional theatres have collective debts

of £4m. Regional orchestras have deficits totalling £1.8m. Of the flagship companies, the RSC, the National Theatre, the ENO, and the Royal Opera House Covent Garden have combined debts of over £5m and the South Bank Centre is £370,000 in the red.

The trouble is that the arts have cried wolf so many times before that the Treasury , not their most stalwart supporter, is likely to be indifferent in their fate in Tuesday's Budget. But even if there is nothing hut an inflation increase in Stephen Dorrell's paltry budget of around £1h, he still has the power to divide it up, giving

more to the arts at the expense of sport, heritage or the British Library, He can, at the very least, restore the £3.2m axed from tha Arts Council of England a year ago. This, plus an inflation increase of around £4m, should be enough to keep the shows on the road. Dennis Marks, director of the

ENO, sums up the problem. The ENO is having a good sea-

an tha beleaguered son, playing to 78 per cent of over a real, but temporary, cricapacity, way above the 60 per cent of a year ago. "If we get a grant that reflects inflation, in three years time we will have reduced our current deficit of £3.1m to just £1m. If we get the standstill grant we are promised our deficit will stay the same: we will be throwing money into a black pit".

The return of the £3.2m, which is what Arts Council chairman Lord Gowrie has modestly put in for, could be enough. It would tide the arts sis. For, if London is any indicator, the recession is over. The Big Four, which absorb over £50m of the English Arts Council's £186m budget, ara doing rather well. The Royal Opera House is currently hitting 90 per cent of its financial capacity and hopes to knock another £600,000 off its £1.3m deficit while the RSC is matching the 83 per cent houses it achieved last season.

The National Theatre had a

bad summer, partly because

Faars that next week's Budget will be bad news for the arts have been tempered by anticipation over the National Lottery jackpot. Potential applicants can now apply for the cash - expected in be about £250m annually.

The Heritage Fund published its guidelines for applicants last week; tha Arts Council announced details to clients yesterday. Telephone 0171 649 1345 to obtain a simple guide for octential heritage projects. The Lottery Line at the Arts Council can he reached on 0171 312 0123. Both will accept applications after Jan-

There are few surprises in the guidelines. The Arts Council does not expect to make grants of less than £5,000. Commercial operations can apply, provided the project will benefit the public. But in the main it will he charities, local authorities, schools and colleges and amateur groups that will receive the promised millions.

The money will be spent constructing new, and improving old, buildings in which the arts and crafts can flourish. The determination

Help lines for the beleaguered seep away in day-to-day running costs remains, but grants can be used to buy equipment and to commis should enable arts companies

> to devote more money to pro The range of potential applicants covers circus, mime, film, video and crafts, as well as drama and music companies. If more than £100,000 is needed for tha scheme the organisation should be able to contribute 25 per cent of the total cost: for smaller projects at least 10 per cent is expected.

currently receiving subsidy

The key aim remains "to give the maximum benefit to the public by supporting projects which make an impor-tant and lasting difference to the quality of life of people throughout England."

In contrast the Heritage Lottery Fund can offer endowment money in special circumstances and will take a flexible attitude towards partnership funding.

Next week the Millennium Commissioners will reveal their eagerly awaited guide-lines and applicants can then decide which body to go for.

ter, but bringing back the money spinning The Wind in the Willows should keep any deficit on the year to under £500,000. The South Bank is reporting a sudden uplift in support, with the LPO, its bouse orchestra, attracting audiences of 83 per cent.

In tha regions, howaver, audiences are staying at home. The enervating financial struggle forces artistic directors to walk a tight rope between imaginative work and commer cial fare that might guarantee good box office receipts. But as Covent Garden and the ENO discovered a year or so ago there is a limited market even for traditional favourites.

Such a safe approach is anathema to the committed modernists, like tha 87 playwrights who this week bemoaned, in a newspaper letter, the lack of new plays being produced and sought a nationally ordained quota of new works. In fact the proportion of new plays put on in 1993-94 -just over 3,000 out of 14,613 productions in the 70 theatres aided by subsidy - is roughly the same as a decade ago, but theatre managements dare not risk presenting plays which

are likely to lose money.

This is the leap of imagina tion demanded of Stephen Dorrell. His first comments suggest he judges artistic success by the size of the audience.

This bottom-line approach makes sense if the audiences are attracted by dynamic new productions, but is artistic suicide if companies go for short-term box office salvation. Risk is whet the arts are all about. A diet of safe productions - theatres putting on Ayckbourn and Willie Russell, onera houses reaching for their Puccini and Mozart - soon becomes stale, tha bedrock andience withers and the young are not attracted.

Creamy notes from Vienna

he Vienna Philharmonic's visit on Wednesday invited comparison with the splendid Bavarian Radio Symphony Orchestra at the Barbican two days earlier. But comparison would have heen easier if both orchestras has played in the small hall. Whereas the Bavarians' resounding, vastly spacious account of Bruckner's Eighth Symphony under Lorin Maazel had room to breath, the analytical dryness of the Sonth Bank did little to flatter those famous Viennese strings.

Still, they came out of it pretty well, and gave us a real helping of whipped cream in the Brahms Hungarian Dance which they played as their second encore.

Originally, Giulini had been billed in conduct, but he had cancelled some time ago, and James Levine made something very different of Schubert's Unfinished Symphony and Brahms's Fourth from the kind of performances we might have expected to hear from Giulini. Levine kept the Schubert on the move - quite rightly so, for the Symphony is often taken too slowly, with both movements too close in tempo and too much alike in

Levine himself stayed unusually still, his baton travelled merely a few inches except when he wanted to rouse the orchestra. His overall view was serene, and though the playing was lovely, it was well on the way to being bland. You got the feeling the orchestra could have played as well on automatic pilot, for they certainly play as

Brahms's Fourth Symphony was given a lot more impulse as well it should. The first

movement took on such momentum, it seemed likely to run away with itself. But it did not, and the closing moments were thrilling: rather too thrilling for the impact of the work as a whole, for the great cumulative structure of the variations in the finale lacked a certain tension, despite many beantiful moments, including a gor-

geously rounded flute solo. One of the individual features of the Vienna Philharmonic is the elegantly hurnished sound of their borns: they played like a dream in the trio section of the scherzo, whose rumbustious ooter sections were much more refined than usual. As a whole, the performances seemed too suave in be heroic.

Sometimes the best of a concert comes once the official programme is over, and so it was here. For the first encore, the orchestra teased and pam-pered the final ballet of Schnbert's music for Rosamunde as

if it were their favourite child. The tiny gradations of pianis simo on the strings, the mellow hlend of the woodwind, the gently pointed phrasing hear the Vienna Philharmonic.

Adrian Jack

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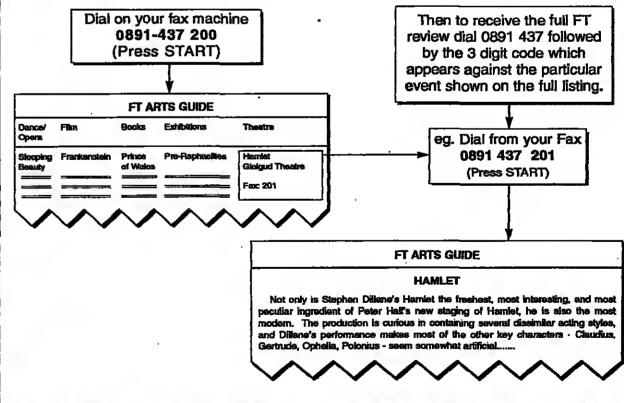
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12 PhDs. His hrain was sliced into 30,963 sections and lodged in a special institute where it was compared with the lobes of lesser geniuses. Although horribly withered by the cerebral disease which killed him at the age of 53, this organ was periodically reported to have quite exceptional features - until, that is, Dr Oleg Adrianov pronounced in January: "In the anatomical structure of Lenin's brain there is nothing sensational."

Lenin was sensational in one

Lenin: true father of The Terror

Recently declassified Soviet archives are revealing Russia's hero in a new light, writes Christian Tyler

gonov. He was the greatest revolutionary of the century. For the rest, he was as fallible as any man though much more callous. Unable to govern once be had grahbed power, be songht refnge in violence. He was the true father of The

For 25 years after Nikita Kruschchev had denounced Stalin's "mistakes", says Volkogonov, the Russian people asked themselves where Stalin had acquired his cruelty. "None of ns - the present author included - could hegin to imagine that the father of domestic Russian terrorism, merciless and totalitarian, was Lenin."

This biography comes with two

over other, perhaps more literary, portraits. One is the elegance of Harold Shukman's English translation. The other is the remarkable personal history of the anthor.

Dmitri Volkogonov, a military historian, was once a loyal slave of the system wbose roots he now seeks to dig np. His father was execnted on Stalin's orders and he grew np with his mother in s polltical exiles' labour camp in Krasnoyarsk, western Siberla. He was a young tank commander, a highranking commissar and propaganda expert. As he told this reviewer when his hiography of Stalin appeared in English: "I

way, however, says Dmitri Volko- attributes which recommend it did a lot to strengthen the totalitarian system.

A former general in the Red Army and subsequently President Yeltsin's military adviser, be com-

manded the forces that shelled the

LENIN: LIFE AND LEGACY by Dmitri Volkogonov HarperCollins £25, 558 pages

recalcitrants in the Moscow parliament building last October. Above all, he was chairman of the commission responsible for declassifying the Soviet state. Communist Party and KGB archives.

In the painful process of his own recentation, says Volkogonov,

tion to fall. In the book he presents Vladimir Ulyanov as a gentlyreared professional revolutionary with a compelling mind and wolfish eyes, neither vain nor personally cruel but driven by promiscuous and ruthless rage against his

real or imagined enemies He stripped the liberal and democratic content out of Marxism and swore allegiance to the fanatic principle that everything is justifled - treason, civil war, terror - in pursuit of the goal.

Lenin was an intellectual who read Aristotle and Spinoza and who described intellectuals as the "shit" of the nation. He seethed with hatred for the kulaks but, says his

Leninism was the last mental bas- biographer, would have been among the first to be purged if he had not sold the family estate.

Among the facts that lay hidden in the archive were details of his ancestry (Jewish, Asiatic and European as well as Russian), of the German financial support for his Bolshevik party, of his nervous disorder and final mental illness, of his direct responsibility for the murder of the Tsar and his family.

Nor, argues Volkogonov, did Lenin ever espouse a more liberal economic system. "War communism" was his chosen method and the so-called New Economic Policy merely a temporary stratagem forced on him by circumstances. "It is the biggest mistake to think that

NEP will put an end to the terror," he wrote to Kameney in 1922. "We shall return to the tarror and to economic terror

Volkogonov makes lavish use of the files to sustain his thesis that Lenin's ideas - his habits of mind rather - characterised Soviet "partocracy" until the very end. By way of illustration he quotes from a 1987 polithuro meeting where we hear Gorbachev speaking of Lenin's genius, Ligachev worrying about Trotskyism and Shevardnadze unhappy with the phrase "liquidating the kulaks".

The October Revolution of 1917 was in fact a counter-revolutionary coup, according to Volkogonov. It created a political culture that still permeates the Russian citizenry. In worshipping the genius of abuse' we cultivated a slavish paychology in ourselves."

The icon may have been smashed, but worship is more powerful than knowledge.

Victorian who designed himself

Asa Briggs admires a new biography of William Morris, artist and socialist extraordinaire

o Victorian, eminent or othercritical of his own age than William Morris, who was born three years before Victoria came to the throne and died five years before her. "Apart from the desire to produce beautiful things," he wrote in s memorabia passage in 1894. "the leading passion of my life has been and is hatred of modern civilization

Yet for all his discontent and for all his protest, he belongs unmistakably to the 19th century - even when be compares it unfavourably with the 13th. or strides into the future. He proves that the Victorians were their own best critics both when they examined Victorian achievements and when they probed Victorian values. In his energy, which faltered only at the last, and in his amazingly wide range of achievement Morris was characteristically Victorian. The manifold things that he made belong to that century also.

The first hiography of him, hy J.W. Mackail, appeared before the century and the reign was over. Since then there have been many other biographies and many detailed and scholarly studies of Morris's contributions to the making of embroidery, tapestry, stained glass, wallpaper textile dyeing, printing and weaving, hook production. And there has been a devoted, sometimes uncritical, interest, frequently on the part of two separate groups of admirers, in his political views and actions, and in

his conceptions of design. Morris himself, unlike them, saw his lifa as one piece. It was to a fellow socialist that he wrote in 1883, the year when he declared his new political commitment, that almost all the designs used in his business "I design myself. I have had to learn the theory and to some extent the practice of weaving, dyeing and textila printing: all of which I must

This is not seen as a triumph for humane sensibility or reform, both of which are presented as having

serious limits, but rather as a shift

in the balance of terror by which

control was imposed. For Gatrell, "the abolition of public execution

spoke for anxiety, not compla-

1867 reform act, excited the con-cern, even fear, of the elite, and

hidden executions were seen as a

more effective form of control. The

elite was also concerned both about

the responses of scaffold crowds.

and about the extent to which pub-

lic executions allowed both criminal

and crowd to deride or criticise the

Gatrell claims that the abolition

of public punishment undercut

those who pressed for total aboli-

tion and greatly delayed their

cause. For Gatrell "the state's

retributive power continued to over-

ride imaginative compassion, and

the horror continued behind prison

There is no doubt of where

Gatrell's sympathies lie: of tha

judges, "one or two like Dudley

Ryder (Chief Justice of King's

walls for a century yet".

nature of justice.

The poor, still voteless after the

admit has given me and is still giving me a great deal of enjoyment". In the same spirit he approached the theory and practice of socialism. Those of his admirers who failed to take his socialism seriously did not understand him.

Fiona MacCarthy does. Her biography is a work of synthesis, drawing on a wide range of sources, and it concentrates on presenting Morris as s whole man rather than on catalo-guing a formidable list of his activities. Mackail tried to do the same, but MacCarthy chooses to examine aspects of Morris's personality that Mackail, writing near to his death, could or would not do. At the same time, her book

WILLIAM MORRIS: A LIFE FOR OUR TIME by Fiona MacCarthy

Faber & Faber £25, 780 pages

is an original interpretation in that it draws on the author's own experience and interests, very different from those of Mackail and another outstanding hiographer, E.P. Thompson. Her chapter headings reflect this. They are the names of places, not a sequence of events: Walthamstow, Marlhorough, Oxford and, of course, Red Lion Square and Red House, Kelmscott Manor and Kelmscott House, and two countries, Icecountry, both on the man and of the mind, which influenced him profoundly.

Given Morris's own sense of place, Fiona MacCarthy's mode of arrangement is entirely appropriate. And the different places she lists do not so much figure in a chronological sequence as in an intricate pattern of desire and of memory. When Morris came to write News from Nowhere in 1890 the different strands in the pattern were woven together, and significantly there is as much in It about the place as there is about time.

Happily Fiona MacCarthy

does not offer us s label for biographers' Marxist Morris, Freudian Morris, Jungian Morris, the entrepreneurial Morris or the Morris "who has now been appropriated by the Greens". She does rely on ber intuitions, however, as well as research, and as a result deals particularly sensitively with Morris's relationships with Janey and Rossetti, and their own relationships with each other. A sense of place necessarily involves a sense of relationships, and wbst Morris made of "fellowship", which he believed was at the very heart of socialism, was derived not from books or pamphlets but from private relationships.

The priest from a neighbouring parish who officiated st Morris's funeral service at Kelmscott had been with him both at Marlborough and st Exeter College, Oxford. He did not refer to Morris's work for the socialist cause, much of it humdrum and hard, but chose as his text a passage from Corinthians, "unknown, and yet well-known".

In the 20th century Morris, remains "eminent" (he would have hated the adjective), both unknown and well-known, topical, not canonical. In his own century he was a pilgrim of hope, putting his trust, a 19thcentury trust, in "how he might live", in society not as it was but in what it might be.

He conceived of fear and hope as the great moving forces in history, and in the style of Corinthians believed that the greater of these was hope. In his poems "Pilgrims of Hope", printed in instalments in 1885, he wrote of "the day that yet shall be". This was the same series in which "The Message of the March Wind" was written. Morris felt that he wss no longer "the riddie singer of an empty day". He was an activist proclaiming a message that he believed would change history just as much as it had changed him-



Day in the Life of Israel* (Collins £30, 224 pages.) By chance the day selected, May 5 1994, proved to be the first day of official peace between the State of Israel and the Palestine Liberation Organisation.

Empire on fast-forward

For Baby Patriots of 1899, "C is for Colonies/ Rightly we boast, That of all the great nations/ Great Britain has the most"; the infant who absorbed this in his nursery would soon graduate to the toy lead soldiers which became a craze after 1890.

But Lawrence James understands that there was another point to colonialism beyond and behind military conquest: in Charles Dickens' words. The earth was made for Dombey and Son to trade in ..."

The British Empire was one of tha fundamentals of the modern age and we, in our post-imperial decline, may still not be in the mood to acknowledge or understand its significance to our own society, let alone to tha wider world. James here tackles a colossal impossible - task with an ambition betrayed in his Gib-bon-esque title, The Rise and Fall of the British Empire. He has bitten off more than he (or you and I) can chew.

We are conducted, briskly, from the Elizabethan sea-dogs to Rhodesia's UDI and our imminent evacuation of Hong Kong. Out of these 400 years, it is true that the latter half of the book is given to this present century, but again and again the reader implores James - who has the style of the fluent and excellent history master which I suspect he used to be - to slow down, take his time and develop just a few of his points. Or perhaps to ditch early Virginia, the Caribbean acquisitions and India and a host of other, no doubt fascinating topics, and focus on the decline of the Empire, which is the more interesting bit. Or, best of all, to write two three? - books.

Everything is here, and that is the problem - the imperial drive of the Cromwellian years; the gunboat diplomacy of Pal-merston's "unofficial empire": tha Naw Imperialism of the European powers just a century ago; Gladstona's campaign against "Beaconsfieldism"; the 1890s scramble for China; the constant and supreme importance of India both economically and mili-

ccording to the ABC tarily; the Empire's vital contribution to the first world war; the stagnation, snobbery and racism of the years between the wars; the emergence of America to take over the defence of the British Empire; the optimism of the handover to Commonwealth.

It must be evident that the canvas is impossibly wide. Too often James makes a stimulating point (for instance, that by 1942 the US had become Europe's banker and armourer just like Britain in the Napoleonic wars; that victory in the pre-1914 naval race between England and Germany would go to the economically-stronger, as in the recent US-Soviet Star Wars) and cannot allow himself to develop it. Sometimes he misfires: the Cold War is not helpfully compared

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THE RISE AND FALL OF THE BRITISH EMPIRE by Lawrence James

Little, Brown £25, 704 pages

with the Great Game over India, for example; and Mountbatten's promotion was not the result of Churchill's search for another T.E. Lawrence. The more important criticism is that Britain's imperial decline demands a more sustained analysis than the fleeting references we get here to the difficulties of becoming a "second

fiddle" The Rise and Fall of the British Empire justifies a (thick) space on your shelves not for any revelatory brilliance or litits value as a quick aide mêmoire: if you have temporarily forgotten the essence of the Corn Laws debate, or the occasion for the Crimean War, or the role of aerial bombing of the Sudan in the 1920s, then here is s valuable reference point. Beyond that, the reasonably well-informed reader will feel rather as you do after dipping into an American news magazine: it is all perfectly convincing until you come to a subject which you know about - and then it, and therefore the rest, really will not do.

J.D.F. Jones

Final drop for his is s powerful, commit-ted and well-written book with a problematic theme. Gatrell drives home the horrors of hanging and then seeks the scaffold to explain the process by which hanging from the 1830s was confined to murderers and from 1868 was no longer carried ont in public

Jeremy Black on the history behind the abolition of public execution

Bench] wept fashionably" as they sent young women to the gallows and subsequent dissection. After nudging a reluctant jury in 1754 to convict a possibly insana young woman of infanticide and then, very well satisfied", condemning

THE HANGING TREE: **EXECUTION AND THE ENGLISH PEOPLE 1770-1868** by V.A.C. Gatrell Oxford University Press £20, 654 pages

her to the noose and the anatomist, Ryder made a speech which "so affected" him, he told his diary, "that the tears were gushing out". Sir John Silvester, Recorder of

London 1803-22, propositioned women who sought mercy for their relatives. There is an excellent discussion of the handling of appeals hy the Home Secretary: Peel emerges as a determined hanger, who eased and encouraged prosecutions. He believed that society could survive in turbulent times only if secular authority was resolutely defended.

The case is strongly argued. This is not the law as s consensual system for eliciting support for the norms of authority, but a cruel, callous, calculating and vicious denial

Many will find this a convincing analysis, hut doubts can be expressed. Without making any ref-erence to the modern debate on capital punishment, it can be argued that Gatrell displays all too little sympathy both for the victims of murder and for the problems created by social change. There was major change in the 19th century, necessarily as both cause and consequence of a society with a mass electorate, universal education, and widespread urbanisation and industrialisation. These brought social dislocation, instability and fears.

Deference and traditional social patterns, never as fixed as some thought, ebbed, and the new and newly expanded cities and towns created new living environments in which the role and rule of the old world were far less significant.

These problems clearly do not excite Gatrell's sympathetic sttention; indeed his essential outsider's spproach, which provides much of the passion of the book, is also one of his limitations. The views of the scaffold crowd are analysed, but there is insufficient sttention to legal and governmental policies and

Cruelty again is s complex issue. A society that was willing to send its men to kill and be killed across the face of the globe, that in 1878 applauded the "Great Macdermott" as his music-hall song launched jingoism, may have had a different emphasis than Catrell suggests.

He is understandably repelled by the practice and details of 19th-century executions, but to this reviewer much of his fascinating book was more redolent of the 1960s than of the Victorian era. The discussion of the manner in which many sought to disguise the reality of what was going on is compelling as is the brutality of many of the case studies, but it is far from clear that most of the population had any real sympathy with murderers or regretted their fate. Yet, this is a continually interesting book, by the standards of modern scholarly publishing excellent value for money, and a study that ably bridges modern and historical concerns.

■ Jeremy Black is a Professor of History at the University of Durham.

Passion with artifice

Douglas Dunn discusses Ovid's challenge to modern poets

w books amount to a "myth kitty" (Larkin's famous abhorrence) as convincingly as Ovid's Metamorphoses. Stories like those of Venus and Adonis, Pyramus and Thisbe, Baucis and Philemon, and Orpbeus and Eurydice - paired off like names on ancient windscreens - are close to the heart of European culture. Painting, sculpture, opera, drama, poetry - what would they have done without Ovid's telling of these tales?

Improved no end, Larkin might have said. Can you imagine him, or Amis, getting stuck in to Ovid? It shows how poetry has changed. No one today, I think, would claim that Ovidian meaning and mastery are as important to us as they were to Shakespeare, or Ovid's great Eliza-bethan translator, Golding. The affection, belief, technique, and sheer energy responsible for a work like Golding's can be found singly but not all together. The you-dothis-bit I'll-do-that procedure of After Ovid seems predictably of our time, as does A.D. Melville's worthy but regressive hlank verse effort in translating the whole poem a few years ago. This is some of the whole poem gone over by many hands, some of them short on latinity.

Ovid is an amazingly resourceful and tireless poet. In showing how these 42 poets rise to the challenge the book offers s fascinating sampler of contemporary styles and local solutions. Ted Hughes, for example, who contributes more to the book than anyone else, uses a choric free verse in his version of Ovid's secount of Creation. In "Venus and Adonis" he employs unrhymed stanzas, mainly of three and five lines. Readers of Hughes's

AFTER OVID: NEW **METAMORPHOSES** edited by Michael Hofmann and James Lasdun Faher & Faber £14.99, 320 pages

book on Shakespeare will know how important this story is to his interpretation of the plays and poems. It is apt that the most Shakespearean of contemporary poets should translate a story told by Shakespeare. It is also pleasant to report that this is Hughes's best work for some time.

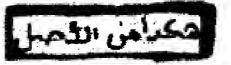
Surprisingly, Seamus Heaney chooses pentameter conplets in writing about Orpheus. However. the lines run on through approximate rhymes so that the effect is far

closer to what readers expect of Heaney than John Dryden. Still, it is not quite sparky enough for Ovid. Quicker tetrameter couplets from Derek Mahon ("Pygmalion and Galatea") seem a touch more Ovidian, as do Paul Muldoon's lines of different lengths, also rhyming in couplets. The New York poet, Kenneth Koch, goes for broke: Look at this lovely river maid, who bears the name of lo/ Her youthful beauty caused in Jove such ache that "Me. oh! my, oh?"/ He cried, "She must

Peter Reading and some others are more classically astute, in Reading's case with the sound of dactyls - an echo of Ovid himself. Some of the poets seize a lyrical moment or passage rather than a longer haul of narrative. In "Mrs Midas", Carol Ann Duffy is as inventive as Ovid in whose Metamorphoses Midas's queen does not appear. But Ovid, the poet of transformations, of one form changing into another, sanctions just about any poetic liberty you care to name. His great poem is a wonder-book of passion as well as a goldmine of artifice. Engaging with the Metamorphoses has led some of the best poets now writing to sprightly and delightful

Training of

Lts winters are like perfect English summers. * Its short breaks are ideal for Christmas and New Year.



Pre-war

village

fantasy

of 91, was in London

recently. He and his

wife attended a reception at

the British Lthrary given to

honour the publication of these three books. The library has an

Upward archive from which a

selection of manuscripts was

on show. These included the

Mortmere stories begun hy

Upward and his friend Christo-

pher Isherwood when they were Cambridge undergradu-

In his autohiographical Lions

and Shadows, Isherwood described how they invented

the sleepy English village of

Mortmere, peopled with eccen-

tric local characters whose

activities were chronicled in a

style that was a cross hetween

Conan Doyle and surrealist

fantasy. Mortmere summed up the charming, well-bred com-placeocy and eccentricity of

pre-war England. Up to now

the tales were considered too private to be published, but at

THE MORTMERE STORIES

by Christopher

Isherwood and Edward

Upward

Enithurmon £7.99, 206 pages

ates in the 1920s.

What Popper never said

A.C.Grayling assesses a misunderstood philosopher

Karl Popper that when he died two months ago he had Just finished another two books. With his death the last of this century's great British philosophical triumvirate - Russell, Wittgenstein and Popper himself passad away. Comparison-drawers like to say that he was, by quite a margin, less claver than Russell and less imaginative than Wittgenstein. Yet of the three he is easily the most influential outside academic circles. That influence extends in two important direc-

The same being by

pire on forward

tions: science and politics.
Surprisingly, many scientists
claim thet Popper's views benefited their work. An outstanding example is Sir John Eccles, the Nobel winning physiologist who later collaborated with Popper on a book about the mind-brain link. Like other scientists, he points to Popper's account of scientific method. the famous doctrine of "falsificationism", as his inspiration,

Popper was an intellectually robust and confident thinker. The reasons lie partly in his origins. He was born into a wealthy and cultured Viennese family. He was a distant relative of Freud and in early adult life friendly with, although not a member of, the famous Vienna Circle of philosophers. He left Austria because of Nazism and lived, first in New Zealand and then, for the rest of his long life, in England,

where he taught at the London School of Economics. He died aged 92. Success came late, in his for-ties; but once it had arrived he was fêted everywhere. Popper was indefatigable. In his last months he was busy preparing these two books for the press. One of them continues his lifelong dedication to defending science and rational criticism as "a way of thinking and living". In it he gives a statement of his "confession of faith ... in peace, in humanity, in tolerance, in modesty, in trying to learn from one'a own mistakes; and in the possibilities of criti-cal discussion." The second book consists of lectures

defending the highly unfash-ionable "dualist" view that

mind and body are separate

but interacting entitles. Both

books are characteristically

Popperian: argumentative

opinionated, conclliatory,

emphatic outdated up-to-date.

interesting, and full both of

e is the famous poet

One might not agree with everything in Popper, but he always makes stimulating

The judgments about Popper of both scientists and rightwingers - many of whom lay claim to him because of his attack on Marxiam and his defence of "the open society" are mistaken. Popper did not succeed in formulating a watertight account of scientific method, and he did not hold or promote right-wing views. But it is easy to see why people thought he had done both: he was tireless in explaining his ideas to a wide public, rightly refusing to confine himself to the academic world.

But his wider audience has not heard the careful response of academia to his views, and therefore knows only one side of the story.

THE MYTH OF THE FRAMEWORK by Karl R. Popper Routledge £25, 229 pages

KNOWLEDGE AND THE MIND-BODY PROBLEM by Karl R. Popper Routledge £20, 158 pages

Popper'a theories about science are based on a strikingly simple insight. Scientific investigation, he noted, was thought to go as follows: an hypothesis is formulated, and predictions are made about what, if the bypothesis is true, should happen when experiments are conducted.

The hypothesis is confirmed if the results are as predicted: the greater the number of positive results, the more securely is it confirmed. But Popper saw that a single negative result can overthrow an hypothesis. Any number of positive results might accumulate in its support while it vet remains vulnerable to a counter-instance. A hypothesis therefore cannot he proved, he argued; the best wa can ever say is that it is "acceptable so far", hut that someone may sometime come up with a single piece of evidence that disproves it.

Science accordingly progresses by "conjecture and refutation". Popper believed his faltwo things at the same time. First, It provided a test of what

t was characteristic of holes and very bright ideas. hypothesis. Second, it solved the thorny old "problem of induction". An example of inductive reasoning is: "Every swan I have seen is white, so all swans must be white." The problem is: how can one he

On the first question, Popper said that if an hypothesis cannot be proved wrong, it is not only unscientific, but worthless: "a theory which explains everything explains nothing". Astrology, psychoanalysis and religion all fall into this category, because none of them states what evidence would prove its claims to be false. If astrology, for example, can accommodate any proffered counter-example it is untestahle and therefore vacuous. Thus Popper's falsification criterion distinguishes hetween genuine enquiry and nonsense.

Marxism is a different matter, it claims to be scientific, and it makes specific and therefore testable predictions. The problem with Marxism is that it has failed those tests: history has shown it to he false. Yet despite this, Popper points out, its adherents continue to believe it.

Popper argued that science does not, as philosophers used to believe, consist in the process of supporting a general proposition by accumulating instances. Such inferences are notoriously upsettable, and there are no watertight means of justifying them. The old view of scientific procedure, confirming bypotheses by positive tests, portrays science as Popper's claim, hy contrast,

is that science is deductive. Inductive inference would be all right if we could rely on the "principle of the uniformity of nature", which states that the world works in regular and patterned ways. Such a princlple would allow us to predict that the future will resemble the past. But the principle can itself only be justified inductively ("past futures resembled past pasts"). We cannot be sure that this will always be the

Popper therefore wished to reject induction. Unfortunately, his view covertly appeals to the principle of nature's uniformity also, for counter-instances can be taken sificationist theory achieved to refute hypotheses only if we can be sure that the world will not change tomorrow in a way



Snow limined trees in Yosemite National Park, California: one of John Sexton's haunting photographs reproduced in Listen to the Trees (Bultinch Presa/Little, Brown \$45, 91 pages). Sexton is a mester printmaker, lecturer and former photographic assistant to Ansel Adams. Stewart L Udell, the conservationist and former US secretary of the Interior, has written "A celebration of trees", the book's introduction.

suddenly true, thus falsifying the counter-instances them-

It might seem obvious that a . piece of evidence which disproves an bypothesis may be used in exactly the same way to support the opposite hypothesis, namely the original propo-sition was false; but in the latter case the evidence is obviously being employed in and analogies, investigative the way Popper contests, that tools much discussed by other

There are many other difficulties with Popper's views. He did not manage to state convincing theses about truth and the nature of reality; he refused to investigate how scientific bypotheses come to be formulated in the first place; and he did not provide an account of scientific reasoning which makes use of models

better at the hands of his critlcs. It is clear that those who claim him for the Right have not read his work. He used to say that he would call himself a socialist if socialism would seriously commit Itself to individual liberty. For Popper, the "open soci-

Popper's politics have fared

ety" is one in which rational discussion leads to fair, decent, open and consensual political arrangements and in which

quiet assessment of the facts informs every decision. His Open Society and Its Enemies not only attacked Marx. It also attacked Plato. The authoritarian state of Plato'a Republic, ruled by an oligarchy, relying on slavery, practising eugenics, disenfranchising women and most classes, has had its closest expression in recent Fascis dictatorships. Popper attacked

excesses on both the left and

AN UNMENTIONABLE MAN by Edward Upward Enitharmon £5.99, 102 pages JOURNEY TO THE BORDER by Edward Upward Enitharmon £5.99, 135 pages

last curiosity has been satisfied and we have the texts of the surviving manuscripts, edited by Katherine Bucknall. The bulk of them are by Isherwood. The humour is often lavatorial, hut the writing is brilliantly readable in the hilarious manner of the young pre-Buddhist, pre-Californian I-Am-a-Camera Christopher.

After Cambridge, Upward became a schoolmaster and a member of the British Communist Party, from which be resigned in 1948. He was bousemaster and head of English at Alleyn's School, Dulwich, from 1931 to 1961. After retirement he went to live on the Isle of Wight where he resumed his earlier career of novelist.

His first book. Journey to the Border, was published by the Woolfs in 1938. It now appears in a revised edition. A tutor goes with his pupil and employer to a race meeting at a Mortmere-ish country town. While entering a crowded marquee he has a vision of the future. More than half a century has done nothing to diminish the work's sense of foreboding. Centlemanly tweed-suited English racegoers become a gathering of militant fascists. A long speech by an apologist for obeying natural instinct parodies Auden's early guru, Homer Lane. Much of it seems as relevant now as then.

Upward's major work, The Spiral Ascent, a trilogy written over two decades and published in one-volume in 1977, describes the fortunes of a poet and schoolmaster who is a committed Marxist. It is a view of intellectual life from Upward's left-wing stance that is hoth calmly detached and highly personal; so too is the sequence of stories now pub-lished for the first time in An

The man is an elderly English writer whose name is never mentioned because he believes we are witnessing the death-throes of capitalist society. He has been mugged, and while his wife awalts his return to consciousness he has nightmares described with marvellous clarity in which his credo comes under attack. As a writer of English prose Upward belongs to the school of Swift and Orwell. Now that I have read again these remarkable books I feel that Upward'a work is going to be mentioned more and more frequently by discerning judges of 20th century literature in the years to

Anthony Curtis

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Charismatic wordsmith

Jackie Wullschlager probes beyond the poet's pyrotechnics

who never used capital letters. In England, we know a few sexy verses by "e e cummings" ("May I feel, said he/ I'll squeal, said she,") because they stand out as eccentric in anthologies of love poems. In America, by contrast, Cummings is a literary giant. When he died in 1962, he was the most widely-read poet after Robert Frost; today he is seen with Eliot and Pound as the father of modernism. Was Cummings a genius, the

inventor of a new form of expression which spoke for our disordered, fragmented times? Or was he merely a gimmick-maker who tinkered with typography? This beautifully produced volume, published to mark the centenary of his birth last month, collects together all his poems for the first time, and offers a new insight into the man and his work.

Few poets are at once so modest - Cummings always hid hehind that lower case anonymous i - and so exuberant and charismatic in their egoism: "Cheri" he says in a 1918 love poem which was not discovered until the 1980s "the, very picturesque, last Day/

(when all the clocks have lost their jobs and god/sits up quickly to judge the Big Sinners)/ he will have something large and fluffy to say/to me)".
Throughout his life, Cummings pitted himself against god and the devil, US presi-

dents - he called Roosvelt that great pink super mediocrity big business and the upper class East Coast society into which he was born. His father was a Harvard professor and a close friend of William James; Cummings wrote about the Boston Brahmin Circle as "the Cambridge ladies who live in furnished souls." But he adored his parents and an idylfically happy upbringing gave him both his passionate belief in the individual and the confidence to ignore traditional American expectation of patri-otism and conformity. A large body of poems about his childhood when "The world is pud-dled wonderful," is one of the

revelations here. As a pacifist, Cummings

went to France as an ambulance driver in 1917 and Was promptly jailed for Ignoring censorship rules in his letters home. After the war he stayed on in Paris, discovered Picasso and Stravinsky, and returned to America a modernist, convinced that the "day of the spoken lyric is past." He began to apply the Cubist methods of break-up and restructuring to

The pleasure of this fat complete edition is that in making us quickly familiar which such surface pyrotechnics, It gives us the chance to notice the deeper, less showy side of the poet. Despite his protests. Cummings was a hred-in-thebone lyricist and, in displaying the full range of his love poetry, this volume establishes him as the most erotic English poet since John Donne.

During his Paris days, he became the friend - though not the client - of some prostitutes. He enjoyed using the high sonnet form to describe

E.E. CUMMINGS: COMPLETE POEMS edited by George J. Firmage

Norton £35, 1102 pages

bawdy low life, "the dirty col-ours of her kiss." Then in the 1920s and 30s, Cummings, according to his biographer Richard Kennedy, married in quick succession "three of the most heautiful women in America," including actress and model Marian Moorhouse. Like Donne, Cummings makes sensuality work on the page hy a mix of dazzling explicitness and absolute rigour of form. He sees that sex is half in the head, and he is metanhysical ("oue not half too. It's two are balves of one") and agonisingly restrained ("O Distinct/lady of my unkempt adoration"). He is also, like Donne witty and obscene. In the poem "she heing Brand/

describes sex as a run in a new car: "Just as we turn the corner of Divinity/Avenue i touch the accelerator and give/her the juice, good."

Offbeat and experimental, Cummings had the outsider's uncanny feel for the mood of the nation and an appealingly American Idiom - upbeat and zany - with which to convey it. The girl/car piece laughed at the American male's obsession with the automobile as early as the 1920s. The lines "what if a much of a which of a wind," with the warning "what if a dawn of a doom of a dream/ hites this universe in two, were written in 1944 the first poem of the Cold War.

Almost every Cummings poem is enormous fun. With his jokes and word games he reflects everyday fears, hopes and madnesses back at us through a distracting cheerful mirror. His gimmicks are part of his genius: this magnificent volume is a tribute to both.



E E Cummings: genius or mere gimmick-maker?

Fiction

Strange worlds and wise outlaws

New; and you/know conse-

Thornton to Egypt's Elvis: who else hut Tom Robbins could see the mingling of ancient civilisations in such terms? With his second novel, Even Cowgirls Get the Blues, Robbins perfected his technique of audacious prose and cosmic themes, earning himself a place as one of the wildest and most entertaining novelists in the world. His new work, Half Asleep in Frog Pajamas (Bantam £6.99, 386 pages), starts suspiciously like a yupple novel: Gwendolyn, a 29-nine year-old stockbroker, weeps into her martini on a Friday avening after a day of crash, dreading the opening of the markets on Monday morning. Her weekend turns ont not to be

emas and New E

uhla played Professor

Longhair and Big Mama

occupied with thoughts of bulls and bears, however, but with frogs, an escaped monkey with a taste for burglary, magic mushrooms from outer space, a cure for cancer and the future of the human race as well as romance with the staple Robbins fig. ure, the wise-cracking outlaw, bearer of both fun and enlightenment.

"Mist from the sea covers the hill where a small army lies surrounded by a large." The Ettrick clan is about to be massacred by the Northumbrians. This is the splendid opening of Alasdair Cray's A History Moker (Canongate £13.99, 222 pages), set not in a border war of the past, but in the 23rd century where warfare has become a spectator sport and a league table. There are pre-slaughter interviews with the generals and running commentary as the Ettrick clan is almost wiped out, all accord-

ing to the Geneva Conventions. The first chapter is the strongest; the rest lacks narrative thrust, (though not pelvic thrusts), being a semi-satirical essay on how life should be lived. As with all Gray's work, layout and illustrations are as important as the writing. A worthy successor to Poor Things, and ample evidence that Scotsmen can write without obsessive use of four letter expletives.

A fan of Alasdair Cray and, like him, someone who builds his work around quirky conceits is Will Self. His new collection of sbort stories,

Grey Area (Bloomsbury £9.99, 287 pages), explores strange worlds which have mutated out of our own. "There are only eight people in London and fortunately I am one of them," is the start of the first story,

concerned with the gruelling life of the puppet-masters of the metropolis: "only 210,542 invitations to meals of any sort last year - and of those a good 40,000 were children's parties." A demon lover, a model village, and office paraphernalia are other

springboards for Self's bizarre flights of fancy, hut the best piece has to be obout Inclusion, a drug that makes watching television fascinating.

Finally, the past. Didier Daen-inckx's A Very Profitable War (Serpent's Tail £7.99, 192 pages) features René Criffon, a demobbed sleuth in Paris after the first world war who is hired by a distinguished Colonel to track down someone trying to blackmail him. Daeninckx is one of France's leading thriller writers, but A Very Profitable War is one for serie noire aficionados. The most satisfying sections of the book are the historical curiosities: the Colonel, for instance. has to put down a mutiny of Russian soldiars in France.

Tibor Fischer

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iven the tendency

for the slightest Tchange on BBC

Radio to prompt

howls of outrage, the quiet rev-

olution that has transformed

Going Places (Radio 4, Friday)

into a pendant of Breakoway

has passed comparatively

bloodlessly. Perhaps others felt

as I did that the old format,

with its emphasis on adenoidal

hearties of both sexes devoted

to four wheels, reeked of rusti-

cised suburbia and saloon-bar

squire-speak. They never

seemed interested in places,

merely the mechanics of get-

The programme is now an idiosyncratic travel piece, not a

holiday mag like Breakaway

but a smaller-scale exploration

of the off-beat - Scotland's secret nuclear bunker, for

instance, recently opened as a

tourist attraction near

Anstruther in Fife Though it

was equipped with a broadcast-ing studio, the locals had no idea it was there. Chillingly, if

disaster struck no family, rela-

tives or friends surplus to per-

sonnel were to be admitted. As

somebody remarked, many of

the elite would have preferred

The same programme took

composer Gavin Bryars to

Whitby with its ruined abbey, kipper-houses and Dracula con-

nection. And memories of a

west-country childhood stirred

within me at the news that a

recalcitrant RSPCA official had

hijacked the bell-ringing swan of Wells, releasing it where there are no bell-pulls to tug at

teatime and where it presum-

ably has to find its own food.

The swan-keeper was strangely dry-eyed. "My wife was more affected than I was," he con-

fessed, adding that she was "a

cantankerous old thing but

wonderful." (I assume he

to stay outside.

Sea-shore beasts and graffiti

William Packer reviews the recent work of artists David Hepher, John Bellany and Ian Tyson

we have seen, and hesrd, more than enough of one of the painters currently filling the vasty halls of Flowers East, we have certainly seen far too little of the other two. What is no less certain is that all three of them, on this evidence, are working through into their later maturity at the top of their form.

Of the two figurative painters, David Hepher is the more sombre in his visual material, the more aelf-effacing and unshowy in his actual working of paint and surface, and the more obviously thoughtful in his engagement with subject and ideas. His work is none the ess interesting or beautiful for

His subject is the tower block of the council estate, dread image of the social engineering of the 1960s, high-minded, insensitive and misconceived. He has been painting these things over many years, taking them as they are and moving in close to their densely regular fronts of balconies and window-frames, uninflected but by the vagaries of human use and habitation, marked by plants and curtains and the washing hung out to

hile it might This interest continues here be argued that in some small studies, freely and freshly stated. But for the most part, and in all the larger canvases on show, he has moved into something that is both visually and conceptually more complicated. He now lays upon the canvas a ground the colour and tex-

ture of concrete, complete with the marks and ridges of the defining shuttering by which the tower-hlocks themselves were huilt. Upon this prepared surface he paints the image of the tower, but not so as to fill the canvas entirely. This image, conventionally pictorial in its own terms, is but a formal element against which others are brought into play - child-like structures, images of cities taken from the painting of the early renaissance, and, overlaying everything, the familiar, meaningless calligraphy of sprayed graffiti.

Here, then, are paintings that start as the same blank walls, luring the painter to them as they lure the graffitist. But oh, how elegant the painter's own graffiti are, and how ironically light and sensitive his touch. Would that all graffiti were so beautiful. This is painting of a high order, full of subtlety and ambiguity.

John Bellany is the other figurative painter and, by con-



trast, nothing less than his old ehullient expressionist self. The wonder of it is, giveo his publicly-acknowledged medical history, that he can still paint st all, let alone on such a scale and with such eoergy and passion. But he was ever an obsessive in the actual act of painting, as furiously prolific even in the depths of his most desperate alcoholism.

In his case, both illness and recovery affected the work clearly and directly and, in a sense, perversely. For through the late 1970s and into the 80s, as his condition grew ever more dire, so his painting took on a quality of tragic grandeur,

with the paint growing ever richer and more physical in the working, the imagery seeming to sink into the surface as into a quicksand, abstracted and ambiguous, not waving but drowning. It was profound and powerful stuff.

If with recovery the mood lighteoed and the imagery cleared, so also for a while did the surface become thin and the statement overstretched and enfeehled - for Bellany never gave up in his determi nation to go on working on the grandest scale. Now the work has again come to itself. Gone is the self-regarding and sentimental imagery of the period

of the immediate convales cence, and we are back with and fish, birds and beasts, the bearded fisher-artists in their boats and hare-breasted priestwomen in their stocking-tops that people Bellany'a own symbolic sea-shore world.

There they all are, these monumental figures, with their hints at Beckmann, Picasso and Modigliani. And there too, as it were to set off their allpervading air of classical calm, are passages of the old expres-sionist fury in the working of the surface, judicious and controlled yet full of painting,

like motif. That I have no space to say more about them is not to say I do not recom-mend them. Indeed, they come as the perfect sorbet after the richer dishes downstairs. David Hepher: new paintings. John Bellany: recent paint-

The smallest of the galleries

is occupied by Ian Tyson, that

most fastidious of minimalists,

who is showing paintings and relief constructions based upon

a simple rectangular, frame-

ings. Ian Tyson: recent paint-ing and sculpture. All at Flowers East, 199 & 282 Richmond Road, Hackney, London ES, until December 4.

and it seemed only right that

the top nation should set about

creating a brave new world

with a national health service,

nationalised industries, univer-

meant the swan.) The Madness of Kings (Radio 4) was disappointingly light-

Radio / Martin Hoyle
Bell-ringing
and madness weight. It was introduced by Christopher Cooke Whose exquisite sensiblities, he ince confided to The Heritage Quiz, are jarred by such oalist as the Last Night of the Prome and Gilbert and Sullivan (nota-

bly, I imagine, at the Land High Executioner's strictures against "the idiot who praises with enthusiastic tone/All centuries but this and every country but his own"). The mini-series on the aid.

ing of crowned heads was inconclusive Caligula perhaps had encephalitis, Hitler Parkinson's. Nero was not so bad possibly schizophrenic. The Plantagenets had terrible tempers. Ludwig of Bavaria probably didn't do anything with his young men, though his scheme to rob the Rothschild bank in Frankfurt seems a trifle extreme even by today's free and easy royal standards. The programme acknowledged the danger of describing any boo-worthy behaviour by the all-purpose "mad"; and then proceeded to do so. Its brief necessarily ignored the hysterical repression that led to mid-dle and lower-class "madness", breakdowns and suicide in Victorian times. There are records of the mass demise in Bristol of an entire below-stairs staff on the death of their mistress.

Those were the days. The nostalgia factor still operates in favour of middle-aged DJs. On Radio John Peel drones on after a quarter-century, his vocal dreariness the aural equivalent of fallen arches. The self-consciously quirky choice of music recalls the modishness that had John Mortimer, no less, singing his praises. But then the distin-guished QC once referred to Boy George's "sweet Irish tenor". He should be on the new matey Radio 3, along with John Peel, Caligula and bellringing swans. They will be, reader, they will be.

CERTIFICATION AND ADMINISTRA

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side from its obvious functions as bsbysitter to the nation and chewing gum for the eyes, television, it becomes increasingly clear, is a remarkably good purveyor of history. We know from the work of Norma Percy, who has made memorable programmes about the Reykjavik arms talks and the collapse of Soviet communism, and from David Ash's programmes Fall Of The Wall on BBC2 earlier this month.

We know from Steve Humph-

Professional musicians often

endure financial hardship without

realising that help is at hand through

Lauretta, now in her seventies, was

a top variety artist till she contracted

a serious bone disease. She spent

years struggling alone. When we

heard of her plight, we offered

practical help which ranged from

tuning her piano to providing a

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much-needed holiday.

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the Musicians Benevolent Fund.

with very recent history.

that it is particularly effective

Television / Christopher Dunkley

History brought home

Secret World Of Sex and from his current Thursday night series on BBC2, Forbidden Britain, both dealing with the early decades of this century, that, even when there is awfully little archive film available (as with any social subject around 1900) impressive programmes can still be

example of *The World At War*, in their late 40s or early 50s Humphries marries together may be particularly drawn to what picture material he can find with latterday interviews with those who can remember the period. The results can be enthrallingly evocative.

But among the most fascinating periods for any of us, surely, is the one that coinries' startling 1991 series A made. Following the classic cides with our birth, so those

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don't always

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. whose repertoires range from Bach to

to finance,

What Has Become Of Us? which covers the middle of the 20th century and begins on Channel 4 tomorrow evening. Presenter Peter Hennessy and producer Rob Shepherd have made a four-part series investigating the attitudes and politics and, most important of all, the feelings which, in the 1940s and 1950s, led to the creation of a British society which was then methodically dismantled in the

1980s and 90s. This opening programme shows that however talented the presenter (and Hennessy has proved bimself an excellent television performer, especially in studio discussions) nothing conveys the spirit of a time so vividly as a combination of personal witness and contemporary archive. When Hennessy encapsulates the swing to Labour in 1945 by saying that the bombs had not discriminated between the classes so why should politics, it seems trite. But when those who lived through the war talk about the sense of levelling which arose from such matters as the shared experience of

The sense of how it felt to be living through that war comes scross most strongly from some of Hennessy's older neighbours in Waltbamstow. Charmingly – and sensibly, given that he was born in 1947 - Hennessy goes back to them repeatedly to check on their memories. Like my father who, one night in 1941, ran to the top of Parliament Hill to gaze, mesmerised, at what appeared to be the entire London docks on fire, Marie Creighton describes going up to a high point to watch the blitz: "There

rationing it seems all too credi-

was ships in there and our gruh was in 'em". Tha idealism fired by the national experience of the war strikes you like a flash of lightning when Jill Craigie shows the opening caption oo a film about new towns such as Stevenage made in the late 1940s saying "This film is made for the peoples of the blitz in the hope that their newly built cities will be worthy of their fortitude". It is an indication of

Chess No 1049: 1 Rxe5 b3 2 Rc3 Kxe5 3 Rd3 mate.

now seems almost comical. Yet such sentiments seemed unremarkable in 1948 because, as Lord Hailsham points out in next week's programme, "We had ended the war at the top of the world". The dismantling of the empire had scarcely begun

the degree of cynicism today

that such a high moral tone

sal education, and millions of new homes in new towns to replace those bombed or torn down as siums. If, having evoked the atmosphere of the 1940s and 50s so powerfully, this series really can sling a bridge across the intervening years to bring us into the latter part of the century and show us how and why we have become what we are, it will have done a remarkable job.

The Official London Theatre Guide

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Tebe:Covert Gordon. Prices 7.59-222. ret Gardon. Prices: 27.50-222.00

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2:14, 2:12, 2:10

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TELEVISION

SATURDAY

6.09 GMTV, 9.25 What's Up Doc? 11.30 The Chart

1.05 London Today; Weather. 1.10 Movies, Garnes and Videos. Review of Whoopi Goldberg's new

1.40 WCW Worldwide Wrestling.

2.30 Saint's Soccer Skills. Crystal Pal-ace and England star John Salako and Tottenham superstar Jurgen Klinsmann pass on tricks of the

4.45 ITN News and Results; Weather.

Weather.
5.20 Baywatch. Mitch agrees to help the

6.15 Gladiators. Plucky competitors from Watford, Epsom, Hälingdon in Mid-diesex, and Addlestone, Surrey, take on the muscle-bound champions.

FBI keep tabs on a mobster's girl-

Night. Danis Norden presents a special batch of cock-ups and catastrophes featuring stars from the

5.05 London Tonight and Sport;

8.14 National Lottery Result Live.

8.15 The Kids from Alright on the

younger generation.

11.05 Aids: In a New Light '94.

2,20 The Big E.

Update; Weather. 9.25 London Weather.

8.15 ITN News and National Lottery

9.30 Film: Commando. A retired special agent wages a one-man war against the terrorists who kidnapped his

daughter. Action-packed adventure, starring Arnold Schwarzenegger

In a rear Digit so, in a rear Digit so, information and entertainment special aimed at boosting public awareness, including appearances by Debble Harry, Bill Cosby, and President Bill Clinton.

gay couple cross paths when one of

Sensitive drams, with Hugh Grant and Julie Androws (TVM 1991); ITN News Headlines.

the young men is stricken with Aids.

12.35 Film: Our Sons. A businesswoman and a barmaid whose sons are a

3.15 Get Stuffed; ITN News Headlines.

SUNDAY

LWT

6,00 GMTV, 8,00 The Disney Club. 10.15 Link. 10.30 Sunday Matters. 11.00 Morning Worship. 12.00 Sunday Matters. 12.30pm Crosstolic London

2.45 The Sunday Match. Wolverhampton

Wanderers v Derby County.

5.35 The London Programme, Business is booming for private nursing homes, but allegations of poor care

London nursing home.

6.10 London's Grand Christmas Parade. Alastair Stewart and Tricia

and maltreatment are growing. A researcher posed as a care worker, and carried a concealed camera to

record shocking conditions at one

Williamson join the crowds to report on the very first London Christmas

Parada, led by Grand master Lord

Who fans' convention, and people

shooting of a battery farm owner with an eye for the ladies, focusing his inquiries on a rambler found suf-

Jaffa in hospital, and Pearce attends

the south Bank Show. Interview with American political satirist P.J. O'Rourke, whose book All the Trouble in the World tries to point up the lighter side of global catastrophes, including famine, plague and war.

0.40 Schofield'e Quest. Reports on a Dr

who collect phone cards.

7.30 Heartbeat. Nick Investigates the

fering from cuts and bruises.

9.00 London's Burning. George visits

a distressing inquest.

10.45 The South Bank Show, Interview

1.15 Get Stuffed: ITN News Headines.

RADIO

1.00 ITN News; Weather.

2.30 Saint's Soccer Skills.

5.05 Love and Marriage,

6.05 London Tonight

8.30 ITN News; Weather.

8.30 You've Been Framed!

10.00 Spitting Image.

10.50 ITN News; Weather,

10.40 London Weather.

2.00 The Mountain Bike Show

1.10 Walden.

film Corrina Corrina, and the video

release of Ace Ventura: Pet Detec-tive, which boosted Jim Carrey to

LWT

Show, 12.30 pm Opening Shot.

2.50 Brand New Life.

7.15 Blind Date.

3.45 Murder, She Wrote

1.00 ITN News: Weather.

7.00 Leseia. 7.25 News. 7.30 Pingu. 7.35 Happy Birthday, 7.45 Martene Marlowe Investigates. 8.05 Albert the Fifth Musicater, 8.30 The New Adventures of Superman. 9.15 Live and Kicking.

BBC1

12.12 Weather. 12.15 Grandstand, Introduced by Steve Rider. Including at 12.20 Football Focus: Preview of today's Premier-ship programme. 12.50 Racing from

. . .

Newbury: The 12.55 Bonusprint Gerry Fielden Hurdle Race. 1.05 News. 1.10 Rugby Union Preview. 1.20 Racing: The 1.25 Alzo Long Distance Hurdie Race. 1.35 Snooke The UK Championship, Early frames from the second semi-final, 1.50 Racing: The 2.00 Hennessy Cognac Gold Cup Handicap Chase. 2,10 Rugby Union: Wales v South Africa. Live coverage from Cardiff Arms Park as the Five Nations champions take on the Springboks, 4.00 Snooker, 4.30 Rugby Union, 4.40 Final Score, Times may vary.

Snooker coverage continues on BBC2. 5.15 News. 5.25 Weather

5.30 Cartoon. 5.40 Dad's Army, Captain Mainwaring is offered the use of a Rolls-Royce — but has the misfortune to get it mixed up with the mayor's official

8.10 Bruce Forsyth's Generation Game. 7.10 Noel's House Party. Ronnie Corbett returns to Noel's crazy household for fun and trolles including NTV, the Blg Pork Pie, and another Gotcha award. 8.00 The National Lottery Live.

8.15 Girl Friday. Cameras record Joanna Lumley as she spends nine days learning to survive on a desert islan off Madagascar with only the most basic equipment.

9.20 News and Sport; Weather 9.40 The National Lottery Live. Update

on the earlier draw. 9.45 Film: Airplanel Disaster spoot about an ill-fated airliner end its madcap passengers. Starring Robert Hays, Lestle Nielsen and Lloyd Bridges

(1980).

11.10 Match of the Day. Desmond Lynam and the team analyse highlights of two top matches in the FA Premiership, including Arsenel's clash with champions Manchester United.

12.15 The Danny Baker Show. 1.00 Snooker: The UK Champion Further semi-final coverage from Preston's Guild Hall.

BBC1

2.20 Close.

BBC2

8.00 Open University. 16.00 Chanokya. (English aubiblies). 10.40 Style Byte. 10.50 Network East. 11.20 Bollywood or Busti 11.50 Film 94 with Bany Norman. 12.20pm Film: The Arnelo Affair.

1.45 The Phil Silvers Show. 2.10 Horizon. Efforts to save a Polynesian tree small driven to the edge of extinction by the introduction of a

rival species in the 1960s. 3.00 Film: They Passed This Way. Mar-shal Pat Genett sets out to track down a young benkrobber. Western, starring Joel McCrea and Charles Bickford (1948).

4.30 Snooker: The UK Championship, Further semi-final coverage from Preston's Guild Hall. 6.00 TOTP2.

6.45 What the Papers Say, Sarah Baxter reviews the week's news as reported in the press. News and Sport; Weather. 7.15 Assignment. Investigation into the development and spread of biologi-

cal weepons, showing how break-throughs in genetic engineering have given man a new means of destroy 8.00 Later with Jools Holland. Jools

presents music by Mercury Music Prize winners M People, plus Nick Lowe, Ben Harper and Bulgarian

9.00 Have I Got News for You. Conser vative MP Sir Teddy Taylor and comedy actress Helen Atkinson

9.30 Performancer Summer Davis Dream. J.B. Priestley's vision of England in the aftermeth of a nuclear war, showing how an elderly survivor's peaceful existence is shat-tered by the arrival of three strang-ers. Starfing John Gletjud, Seside Reeves and Mike McShane.

11.18 Last Word, Germaine Greer and her female penelists debete the purpose of women with Tony Parsons, Alan Clark and Roy Porter. Last in series. 12.15 Film: Un Nos Ola Leuad, Premiere. Award winning mystical W drama tracing a man's childhood through a series of recollections that end in an inexplicable murder. Dyfan

1.50 Uncut. Contrasting domestic scenes, from a teenager proudly showing off her caravan, to a Bos-

Roberts stars (1991). (English subti-

CHANNEL4

5.00 4-Tel on View. 6.35 Early Morning. 9.45 Sitz. 11.00 Gazzetta Football Italia. 12.00 Sign On; At Leisure. 12.30pm The Great Marathe. (English sub-

1.00 Racing from Newcastle, Brough Rucing from Newcastle. Brough Scott Introduces coverage of the 1.10 Ladbroke Handicap Hurdle, 1.40 Steel Plate and Sections Young Chasers Qualifier, 2.10 Betway Homes Fighting Fifth Hurdle, and the 2.40 Ladbroke Handicap Chase.

3.15 Film: These Three. The story of two young women in charge of a girls' boarding school whose lives and careers are ruined by one of the pupils' malicious lies. Dramatisation of Littlen Heliman's Broadway play, staming Miriam Hopkins, Merle Oberon, Joel McCrea and Bonita Granville (1936).

4.55 Plobird.

5.05 Brookside. 6.30 Right to Reply. Roger Bolton pres-ents viewers' opinions about TV.

7.00 A Week in Politics. Irreverent recap of the week'e political issues; News

8.00 Adventures: The Shark Shocker Adventures: The Shark Shocker, Film following Australians Ron and Valerie Taylor, who have dedicated their fives to filming and studying sharks in a variety of locations around the world. The documentary in South Africa as they test a new electronic barrier system designed

each other. 9.00 Don't Forget Your Toothbrush.
New series. Chris Evans returns with
a new mystery co-presenter to host
the nifbeat game show which gives audiences the chance to win a dream holiday to an exotic location,

or a disappointing trip to somewhere far more mundane. 10.05 Rory Bremner: Who Else? Satirical

comedy and impersonations. 10.45 Film: Les Amants Du Pont Neuf. Leos Carax's modern-day fairytele about the relationship between a tough street punk and a sick young women. Juliette Binoche and Denis Lavant star (1992), (English subti-

1.00 Late Licence.

1.10 Herman's Head. 1.40 Butt Naked.

2.50 The Word. 3.55 Close.

2.15 Let the Blood Run Free.

ITY REGIONS AS LONDON EXCEPT AT THE

REGIONS

ANGLIA: 12.30 Movies, Games and Videos. 1.05 Anglia News. 1.10 The Horse Without a Head. (1983) 2.55 Knight Rider. 3.05 Anglia News and Sport 9.35 Anglia Westher. 11.00 BL Stryley: Grand Theft Hotel. (TVM 1989)

BORDER:
12.30 Movies, Games and Videos 1.00 Border News, 1.10 Rocksport 1.00 Superstors of West-forg, 2.20 Hot Wheels 2.50 MacGues 2.45 Knight Rider, 6.00 Border News and Weether 5.15 Border Sports Results, 11.00 Bl, Stryker: Grand Theft Lited (7.84 1098) Sports Results. 1 Hotel. (TVM 1989)

CENTRAL:

12.30 America's Top 10. 1.05 Central News 1.10
The Munsters Today. 1.40 Movies, Games and
Videoc. 2.10 SeeCuest DSV. 3.05 The Fall Guy.
4.00 WCW Worldwide Wreating. 5.05 Central News
5.10 The Central Match - Goels Extra. 9.25 Local
Macther 11.05 Street News Africance Afric Street II. Weather, 11.05 Specikeasy: Akis Special.

GRAMPIAN: 12.30 Abair Spors. 1.00 Grampian Headlines. 1.10 Teledos. 1.40 Cruinne-Ca. 2.10 Donnie Murdo. 2.35 Target Risk. (TVM 1975) 4.05 Superstars of Wres-ting. 5.05 Grampian Headlines. 0.10 Grampian News Review. 5.18 Police News. 8.25 Grampian Weather. 11.05 Bl. Stryker: Grand Theft Hotel.

News Review, 5.18 Police News. 9.25 Grampian Weather. 11.05 Bl. Stryker: Grand Theft Hotel. (TVM 1989)
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12.50 Movies, Garnes and Videoe, 1.00 Graneda: News 1.10 Rocksport. 1.30 Superstars of Wrastling. 2.20 Hot Wheels. 2.50 MacGyver. 3.45 Knight Rider. 6.00 Granada News 5.05 Granada Goals Extra. 11.05 Bl. Stryker: Grand Theft Hotel. (TVM 1989)

HTV:
12.30 No Naked Flames. 1.00 HTV News. 1.10 Best of British Motor Sport. 1.40 Yesterday's Heroes. 2.10 Certoon Time. 2.20 Movies, Games and Videos. 2.50 The A-Fours. 3.45 Knight Flider. 6.00 HTV News and Sports Results 9.25 HTV Weether. 11.00 St. Stryker: Grand Theft Hotel, (TVM 1986) HTV Wales as HTV except: 12.30 The Munsters Today.

RESPACEANCE 11.30 COPS. 12.00 The Chert Show, 1.00 Meridian News. 1.10 Yesterday's Heroes. 1.40 Swimsuit. (TVM 1980) 3.30 Cartoon Time. 3.45 Knight Rider.

SCOTTISH SCOTTESH:
12.30 Cough: The Life of British Motor Sport. 1.40 Today. 1.10 Best of British Motor Sport. 1.40 Telefilos. 2.10 The Travelling Companion. (1989) 3.80 Tele Your Pick. 4.20 Around the World In 15 Minutes with Peter Ustinov. 4.35 Cartoon Time. 5.05 Scotland Today

TYNIK TRIES: 12.30 Moves, Games and Videos. 1.00 Tyne Tees News. 1.10 The Fall Guy. 2.05 The Magnificent Two. (1967) 3.45 Knight Rider, 5.05 Tyne Tees

WESTCOUNTRY:
12.30 Movies, Games and Videos. 1.05 Westcountry News. 1.10 J Married Wyatt Earp. (TVM 1963)
2.50 The A-Team. 3.45 Dinosaurs. 4.15 No Neked Parnes. 5.05 Westcountry News 9.25 Westcountry Weather. 11.05 BL Stryker: Grand Theft Hotel, mas 1909.

(TVM 1989)

12.30 Movies, Games and Videos. 1.00 Celender News. 1.10 The Fall Guy. 2.05 The Magnificent Two. (1967) 3.45 Knight Rider. 6.00 Celender News. 5.10 Scoreline.

REGIONS

ITY REGIONS AS LONDON EXCEPT AT THE

TV REGIONS AS LONDON EXCEPT AT THE FOLLOWING TRIBES.—ANGLIA: 12.30 Bodyworks. 12.55 Anglia News. 2.00 Highway to Heaven, 2.55 Kick-Offi 4.50 Bring Me the Head of Doble Gills. (TVM 1988) 5.46 Big Day. 8.15 Anglia News on Sunday 10.40 Anglia Weether. 11.45 Street Legal.

five-minute chess in Munich

Fritz 3 and Genius, the software programs which defeated Garry Kasparov at and at 25-minute chess in London, have become popular choices for players seeking a

strong training partner.

Both will run on an IBM-compatible 386 or better PC. Fritz costs £80. Genius 3.0 et £90 is used hy several grand masters, and plays to IM standard: Genius Plus st £110 has an enhanced opening library and, running on a Pentium chip, reduced Kasparov to despair at the Intel Grand Prix.

For viewing the latest computers, I recommend the BCM Chess Shop(071 603 2877) which has a friendly and efficient service and is situated in a quiet village area of Kensington. Last month's annual grandmasters v machines Harvard Cup was another success for technology. The programs, running nn Pentiums, scored 39% overall against 25% in 1993; while WChess, created in Alabama, totalled 5/6 against America's leading players for a world champion level 2895 rating performance (M Rohde.

White; WChess, Black; English Opening). 1 Nf3 Nf6 2 c4 c5 8 Nc3 d5 4 cxd5 Nxd5 5 e4 Nb4 6 Bb5+ 6 Bc4 Nd3+ 7 Ke2 Nf4+ 8 Kf1 Ne6 9 b4 is an alternative sharp

♦ K9842 ♥ A Q 74

East dealt and passed, and

South hid one spade. Most

Norths would reply with two

no trumps, but this North said

two clubs, a response that has

much to recommend it. South

rebid two hearts, and North's raise to four hearts closed tha

West led the diamond sce

and switched to the six of

clubs. Taking with the see in

dummy, declarer led the heart

three to his ace and was

suction.

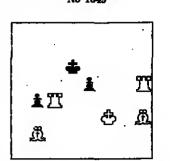
↓ J 3

& K 3

line. N8c6 7 d4 cxd4 8 a3 dxc3 9 Qxd8+ Kxd8 10 axb4 cxb2 11 Bxh2 Bd7 12 0-0 Ke8! In Timman v Tal, 1985, Black riskily went for a second pawn by f6

13 Bc4 Nxb4 14 e5. 13 Rfd1 f6 14 Ba4 e5 15 b5 Nd8 16 Rac1? Better 16 Rd3. Ne6 17 Rd5 Nf4 18 Rxd7 Kxd7 19 b6+ Ke6 20 Bb3+ Ke7 21 Rc7+ Kd8 White's ettack looks threatening, but WChess defends accurately, 22 Rxb7 axb6 23 Bc4 Ra4 24 Nd2 Kc8 25 Rf7 Bc5 26 g3 Rd8 27 Bc3

Rxc4! 28 Resigns.



White mates in three moves against any defence. Capablanca, the most neturally gifted of world champions, solved this over dinner. Can you do as well?

Solution Page XXII **Leonard Barden**

BRIDGE

Today's hand is from rubber diamond. But South proceeded to play with great skill. Cashbridge: ing his club king, South led a Q75 WK1053 spade to the queen and ruffed the last club in hand. He crossed to the diamond king **♦ K 10 6** 4 A 4 2 and ruffed the 10. He had won seven of the first eight tricks A 6 3 🏚 J 10 and this left a five-card ending ₩J9862 West held ace, six of spades A 9742 # J 10 7 4 Q9865

a diamond and two clubs; dummy held two spades and king, 10, five of hearts, East held 10 of spades and four hearts to knave, nine, while South held four spades to the king and the heart queen. Declarer played off his heart

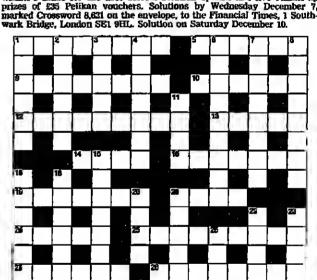
queen and exited with a spade. It made no difference which defender won the trick. If East wins, he is forced to lead into the trump tenace on the table; if West wins, dummy will play his spade on whatever he returns, East must ruff, and surrender the last two tricks to dummy's tenace. A most remarkable hand and brilliantly played by the declarer.

E.P.C. Cotter

shocked when West threw a

No. 8,621 Set by DINMUTZ A prize of a classic Pelikan Souveran 800 fountain pen, inscribed with the winner's name for the first correct solution opened and five runner-up

CROSSWORD



this year (8)

5 Cam, for example, needs force reduced (6)

9 Cautious about boy, daily? (8)

10 The huck stops here! (6)

12 Is yen rate of exchange something to trouble our readers?

ACROSS

opener (6)

The last word on quarters for sailors (6)

Celebrity in city area almost delayed (6)

State of popular girl? (7)
This usurer advances - listen! (9)
13 Showars no longer in ont-buildings (5)
14 Somathing odd in Cawdor? Rather! (4)

buildings (5)

14 Somathing odd in Cawdor?
Rather! (4)

18 Venus, possibly, glowing was prominently featured in film (7)

19 Fiery sun descends (7)

21 Munro's name for a monkey?

18 Instate advances – instant (45)

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(4) ting (9)
24 Girl receiving benefit in 17 A steward, appointed, is going 24 Girl receiving benefit in retirement (5)
25 Member has egg on ravioli (as starter) and cheese (9)
27 Quicken university oars, perhaps, before end of Mortiake (6)
28 Member has egg on ravioli (as starter) and cheese (9)
29 Exclusive footpad? (4)
20 Exclusive footpad? (4)
20 Exclusive footpad? (7)

(6)

28 Imagine England's openers
getting a six against Sonth
Africa, for example, running
23 Eager to see editinn in

packwardsi (8) black-and-white (6)
29 Seriously travel up and down on river (6) 86 Fuse element needs earth terminal (5) Solution 8.620

Solution 8,609

BESTRIDE JNFORM
EUE EUO GA
REPEL SPORTSGAR
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Solution 8,609

Sacerum out east (8) DOWN 30 Sacerdntal English novelist

1 Game producing this classic

WINNERS 8,609; H.C. Thomas, Coventry; D. & L. Arthan, Cuddington, Cheshire; C.A. Bainbridge, Northolt, Middlesex; R. Chapman, Cardinals Green, Cambs; Mrs E. Grier, Corscombe, Dorset; C.G. Storey. Newcastle upon Tyne.



3.20 European Nine-Ball Pool Masters. nian Muslim refugee recalling home life in his village. 4.15 Get Stuffed. 4.25 BPML 5.25 Night Shift.

7.25 The Man from UNCLE. 6.15 Breekfast with Frost, 9.15 Great Expectations, 10.00 See Heart 10.30 French Experience, 10.46 Easy Money, 11.00

12.00 CountryFile. 12.25 Weather for the Week Ahead;

12.30 On the Record, 1.30 Barney Bear Double Bill. 1.45 The Young Indiana Jones Chroni-cles, Part two. The teanage Indy gets caught up in the Mexican revo-

2.30 EartEnders.
3.50 Martin Chuzzzewit. Jonas gives his father a levish fureral before visiting Witshire to spend more time with

4.50 The Bookworm. The life of Robert Louis Stevenson, a mobile library in the Outer Hebrides, and poetry by Liz Lochhead. 5.20 The Clothes Show. Gary Gitter

meets five Wimbledon art students, and former hairdressers of the year eal how to wow the judges at the Entitish heir swards.

5.45 Just William Mischlevous school-boy William Brown enters the world of arresteur dramatics, and helps a

great actor get over his nervous breakdown. 6.15 News.
6.35 Songs of Prates. Pam Phodes visits the ancient cathedral of St Magnus

in Kirkwall, capital of the Orkney elands. 7.10 Lovejoy. The shifty dealer seeks the help of a Caribbean expert to locate a valuable 19th century cabinet, while Charlotte is left holding the

baby - literally.

8.00 Vintage Last of the Summer Wine.

8.30 Birds of a Feather. Sharon, Tracey end Dorlen spend a quiet Saturday end the state of the saturday of the satur loves.
9.00 Scaforth. Larry Field threatens to expose Bob and Diana's scheme to buy into Andrew Winter's alling engi-

neering company. 9.50 News and Weather. 10.05 The Full Wax. The Full water. Everyment. How American missionaries' attempts to introduce their own brand of Christianity to

post-communist Ukraine are receiv-ing a trosty response from locals.

Film Comes a Horseman.

Hard-working ranchers resolve to protect their farms from an unscru-pulous land beron. Western, starting lames Caan and Jane Fonda (1978).

BBC2

7.30 Animal World, 7.40 Blinky Bill, 8.05 Wishing. 6.15 Playdays, 8.35 Moomin, 9.00 The Busy World of Richard Scarry, 9.20 Blesa, 9.40 Stone Protectors, 16.00 TemeBusters, 10.25 Grange Hig. 10.50 The Boot Street Band, 11.15 Artrageous, 11.45 The O Zone, 12.00 Cusmum Leep, 12.45 pm Snowy Filter: The McChrister Sans.

1.30 Around Westminster. 2.00 Snooker The UK Championship. David Vine introduces the first ses sion of the final in front of a packed

audience at Preston's Guild Hell. Rugby Special, Highlights of Wales v South Ames from Cardiff Arms Park, and a round-up of news from the divisional champlonship. 6.10 The Natural World. New series. David Parer and Elizabeth Parer-Cook's award-winning documentary about the albatross, featuring foot-age of nesting-sites on the remote, windswept Crozet Islands. Radio see birds as they travel vast dis-tances in search of food, and show how the fishing techniques used by

Japanese tuna trawlers are pushing them to the brink of extinction. Na rated by David Attenborough. 7.00 The Money Programme. Lesley
Curwen Investigates whether banks
and building societies have overreacted to their excessive mortgaga
lending during the 1980s property boom, and are now threatening to depress house prices by being

excessively cautious about allotting funds to buyers.
7.40 Snooker: The UK Championship.

The early frames from tonight's clos-ing session of the final. 8.10 From A to B: Tales of Modern Motoring. Light-hearted portraits of couples arguing in their cars, demonstrating how the closest of relationships can come under strain

on the road.

9.00 Snooker: The UK Championship.
David Vine presents the conclusion
of the final from the Guild Hall in Preston.

9.50 Timewatch, Maverick American Irvestigator John West reveals new evidence suggesting Egypt's monu-mental Sphinx statue may be much

older than previously thought.

10.40 Snooker: The UK Championship.
David Vine presents highlights from Michael Jayston as a man who takes his wife to meet his long-lost

1.25 Close.

the finel.

11.30 Film: The Homecoming. Adaptation of Harold Pinter's play, starring

father and brothers. With Ian Holm

10.45 Chocolate Nuns and

12.00 News. 12.39 Shipping Forecast. 12.43 (LW) As World Service.

Prebombs. 11.00 Personal Records.

BBC RADIO 5 LIVE

7.00 The Breekfast Programme.

9.05 Weekend with Kershaw and Whittaker.

11.00 Special Assignment.

11.35 Crime Desk.

12.16 Sportscall.

1.00 Sport on Five.

6.00 Sports Report. 6.06 Sbr-O-Six.

11,00 Night Extra.

7.35 Saturday Edition

9.05 Asian Perspective

9.35 The Goasip Column. 10.05 The Treatment.

12.00 Mikiday Edition.

11.00 Two Way Cut.

12.43 (FM) Close.

1.20 Pete Townshend: Psychoderelict.; ITN News Headlines. 4.10 Film: Stunts Unlimited. Action adventure, starring Glenn Corbett (1980).

11.45 You're Booked.

12.15 Cue the Music.

CHANNEL4

6.00 Bitz. 7.10 Early Morning. 10.00 Denmis. 10.15 Saved by the Bell. 10.45 Rawhide. 11.45 Little House on the Prans. 12.40pm Ryan Giggs Soccer

1.15 Football Italia. Lazio v Roma in the Rome derby, one of the most eagerly awaited games in Italian football.

2.30 Last Train to Medicine Hat, Murray Sayle travels from Quebec City to Toronto. LOO News Summery.

4.10 Time Team. An archaeological site in Athelney; Somerset, which could provide new information about King Alfred the Greet. 5.10 High Interest: Over My Dead Body Irreverent report on the rising cost of funerals, which often represent a serious financial burden for grieving reletives. One French undertaker however, has eased the pressure on

many clients by opening low budget "death" supermarkets - and is planning to open a branch in Britain. 6.00 Don't Forget Your Toothbrush.
Chris Evens returns to host the offbest game show giving audiences
the chance to win a dream holiday.

7.00 Equinox: Dismantling the Bomb. Difficulties surrounding the safe dis-posal of nuclear weapons in the aftermath of the cold war. in Texas, indestructible radioactive material is stored above ground in 50 year-oldbunkers, while weapone-grade plu-tonium is available on the open mar-ket in Russia. As politicians and scientists debate what should be done, Equinox evaluates the down-

side of disarmament. 8.00 What Has Become of Us? New series. Examination of Britain in the 1940s and 1950s, beginning with the postwar determination to create a universal welfare state.

9.00 Film: Bill and Ted's Bogus Journey. Premiere. Keanu Reeves and Alex Winter return as the wacky Alex Willer Fourn as the wacky would-be heavy metal stars, this time taking an unscheduled trip to Hell. Comedy sequel, with William Sadler (1991). 10.45 Torso Murders. Two men

norso naturates. Two men imprisoned for greeome underworld killings in 1874, after Britain's lon-gest-ever murder trial, protest their innocence in exclusive interviews. 12.10 Film: Bab El Qued City.

1.50 Close.

11.45 Sarset Loga.

BORDER:

12.30 Gardeners Diary, 12.55 Border News, 2.00
The A-Tearn, 2.55 Borde of the Bulgs, (1985) 5.30
Coronation Street, 6.25 Border News, 11.45 Prisoner; Cell Block H.

CESTTRAL:

12.30 Central Newsweek. 12.55 Central News 2.00 Xpress, 2.30 The Central Mattah - Livel 4.55 Gentral News 4.00 Xpress, 2.30 The Central Mattah - Livel 4.55 Gentral News 10.40 Local Weather, 11.45 Prisoner: Cell Block H.

11.00 Sunday Service. 11.45 Elsen, 12.30 Gerden-er's Dany. 12.55 Gramplan Heedines. 2.00 The Jazz Singer, (1953) 4.00 Adventing. 4.30 Movies, Gernes and Videos. 4.55 Wild West Country, 5.25 Marder, She Wrote. 6.25 Appeal. 6.25 Grampien Headthest 5.39 Grampien Weether. 20.40 Grampien

lan Weether. 11.45 Prisoner: Cell Block H. GRANADA:
12.25 Granedu on Sunday, 12.55 Granada Nowa
2.00 The A-Team, 2.55 Battle of the Bulge, (1965)
5.30 Coronation Street, 6.25 Granada News 11.46
Prisoner: Cell Block H.

12.25 The Wrap. 12.55 HTV News. 2.00 On the Edge. 2.30 Midweck. 3.00 The West Match. 3.30 Carry On Nurse. (1969) 8.10 Cartoon Thre. 5.25 History on Carryas. 5.55 Home Movies. 8.25 HTV News. 18.40 HTV Weather. 11.45 Prisoner: Cell News. 15. Block H.

Block H.

HTV Wales as HTV excepts
12.25 Princisine. 2.00 Weish Agenda, 2.20 Face to
Faith. 3.00 Soccer Sunday. 4.00 Hightway to
Heaven. 4.55 Horne Ground. 8.25 Tellyphonin'.

MESHDAN:
12.30 Seven Days. 12.50 Meridian News. 2.00
Cartoon Time. 2.10 The Pier. 2.35 The Latings.
2.40 The Meridian Match. 3.25 Auport '80: The
Concorde. (1979) 5.25 Dogs with Durpler. 5.55 The
Vilson. 6.25 Meridian News. 11.45 The Pier.

Village, 6.25 Meridian News, 11.45 The Plea Village, 8.25 Meridian News, 11.43 The Prier.
SCOTTISH:
11.00 Sunday Service, 11.40 Elkon, 12.30 Scotland
Today, 12.35 Skoosh, 2.00 55 Days at Pelding,
(1982) 4.50 Knight Pider, 5.46 Ceroon Time, 5.50
Michael Ball, 6.20 Scotland Today 8.25 Appeal,
10.40 Scotlish Weather, 10.45 Scotlish Volces,
11.40 The South Bank Show.

17482 TEESS:
13.25 Newsweek, 12.55 Tyre Tees News, 2.30 The Tyre Tees Match, 2.55 Scott of the Antercis., 1940; 3.00 Dinossurs, 5.30 Annel County, 8.00 Tyre Tees Weekend, 11.45 New Visions. WESTCOUNTRY:

INDSTRUCTURETHY:
12.30 Westcountry Update. 12.55 Westcountry
News. 2.00 Hot Wheels. 2.30 Air Ambulance. 3.00
The Assassingtion Bureau. (1966) 6.00 Wild West
Country. 5.30 Father Dowling Investigates. 6.25
Westcountry News 10.40 Westcountry Weather.
11.45 Prisoner: Cell Block H.
YORKINSHIME:

YORKIGNERS:
12.25 Kickabout. 12.50 Celender News. 2.00 Highway to Heaven. 2.55 Scott of the Amaratic. (1945) 5.00 Dinosaurs. 5.30 Animal Country. 6.00 Celender News. and Weather 10.40 Local Weather. 11.45 Award-winning drama focusing on the rise of Islamic fundamentalism and religious intolerance in Algeria. Hassan Abdou stars (1994).

SUNDAY

SATURDAY

BBC RADIO 2 6.00 Sujeta Berol. 8.05 Brian Matthew. 10.00 Judi Spiers. 6.00 Stages Book.
Matthew, 10.00 Judi Spiers.
12.00 Hayes on Saturdey, 1.30
Furny That Way, 2.00 Martin
Keiner on Saturday, 4.00
Enemylou Harris, 6.00 Meri
Caine and Friends, 6.00
Cameron Mackintosh: The
Producer, 7.00 The Golden
Days of Radio, 7.30 A Visnna
Volksoper Celebration, 9.30
David Jacobs, 10.00 Sharidan
Mortey, 12.05 Ronnie Hilton,
12.35 Charles Nove, 4.00
Sulata Berot.

BBC RADIO 3 6.20 Open University: VIPs. 6.65 Weather. 7.00 Record Review. Philips, Handel, Brahms, Janacek, Schumann. 9.00 Building a Library. Domingo's latest recording of Verdi's Otello. 10,15 Record Release. Rossini, Berlicz, Beethoven, 12,00 Spirit of the Age. 1.00 Table Telk. 1.25 Rephael Weditsch and John York, Saint-Seens, Leieut, Martintt, Chopin, 3.00 Virtage Years, Brahms, Simpson, Krommer, 5.00 Jazz Record quests. With Geoffrey Smith. 5.45 Music Matters. Music In Liverpool, 6.30 Le roi Artrus. Cheuseon's Arthurten opers in three acts. Sung in French. 9.45 Blue Sides. Codes and tion, 16.15 Women Take Centre Stage. With Carol

9.20 Music in Mind. Grimes and her Acor Group, 12.30 Closs. 9.50 Ten to Ten. 10.00 News. 10.15 Quote Unquote.

0.00 News. 6.10 Farming Toda 0.50 Prayer for the Day. 7.00 Today. 9.00 News. 9.05 Sport on 4 9.30 Breekaway 16.00 Locas Ends 11.00 The Week in

BBC RADIO 4

11,30 Europhile 2.00 Money Box 12.25 I'm Sony i Havan't a 1.00 News 1.10 Any Questions? 2.00 Any Answers? 071-580 4444. Uniteners' comments. 2.30 Şilver. 4.00 Scapegoets. 4.30 Science Now. 5.00 File on 4. 5.40 Another View from the

Figh Queue.

6.00 News and Sports. 12.00 Test Match Special 6.25 Week Ending. 6.50 The Locker Room. 7.20 Keleidoscope Feature. Canadian songwiter Leonard Cohen reflects on his musica WORLD SERVICE BBC for Europe can be received in western Europe on Medium Wave 848 t/dZ (463m) at these times BST: 8.00 Morgenmagazin. 6.30 Europe Today. 7.00 World 2.00 News. 7.15 Waveguide. 7.25 Egokh. 4.45 News and Press Book Choice. 7.30 People and Review in German. career.
7.50 Saturday Night Theatre: A
Quick Killing in the City. Play
by Ed Thornson, set in
London at the time of Black
Wednesday, October 1982.

Politics. 8.90 World News. 8.09 Words of Pakit. 8.15 A Joby Good Show. 9.00 World News and Sustiness Report. 9.15 Worldbrief. 9.30 Development 94, 9.45 Sports Roundup. 10.15 Letter from America. 19.30 Waveguide. 10.40 Book. Choice. 18.45 From the Waveguide. 10.40 Book Choice. 10.45 From the Weekles. 11.00 Newsdesk. 11.30 ABC English. 11.45. Mittagsmegazin. 12.00 World News. 12.09 Words of Fath. 12.15 Multitrack Alternative. 12.45 Sports Roundup. 1.00 Newshour. 2.00 News Summary. Sportsworld. 4.00 World and British News. 4.15 BBC English. 4.30 Heute Aktuel. 6.00 News Summary. 6.05 Waveguide. 6.15 BBC 6.05 Waveguide. 6.15 BBC 6.15

6.05 Wavegulde. 5.15 BBC English. 6.00 Newsdesk. 6.30 Heute Aktuel. 7.00 News and Houte Aktuel. 7.00 News and features in German. 8.00 World News. 8.10 Words of Faith. 8.15 Development 94. 8.30 Jazz tor the Asking. 8.00 Newshour. 10.00 World News. 18.05 Words of Faith. 10.10 Book Choice. 10.15 Moridien. 10.45 Sports Roundup. 11.00 Newsdesk. 11.00 The Story of Western Music. 12.00 World and British News. 12.15 Good Scolus. 12.30 The John Durn Show. 1.00 News Summany. Play of the Wester Three Hotels. Play of the Week: Three Hotels

BBC RADIO 2 7.00 Don Maclean, 9.06 Michael Aspel, 18.30 Hayes on 7.00 Don Maclean. 9.06 Michael Aspel, 10.30 Hayes on Sunday. 12.00 Berryn Green. 2.00 Alen Dell. 4.00 A Royle Tour. 4.30 Sing Something Simple. 8.00 Charte Chester. 5.30 Ronnie Hilton. 7.00 Richard Baker. 0.30 Sunday Half Hour. 9.00 Alan Keith. 10.00 Medicina and the Arts. 12.05 Steve Medicin. 3.00 Alax Lester.

Lester. **BBC RADIO 3** 6.55 Weether. 7.00 Sacred and Profane. Bach, Kodaly. Sibelius, Delius. 8.55 Choice of programmes, 9.00 Brian Key's Sunday Morning, 12.15 Music Matters, 1.00 Sulsse Romande Orchestra, 2.35 All the Music's a Stage. 3.00 Young Artists' Forum. 4.30 The BBC Orchestras. Bartok, Ravel, Debussy. 5.15 Making Waves In Newcastle. With Christophe Cook. 6.00 A Service for Advent with Carols. From the Advent with Carols. From the Chapel of St John's College, Cambridge, 7,00 The Sunday Play: Night after Night. By Nea Bartlett. Adaptation of the stage musical, 9,10 Music in Control of the stage of the stage of the stage Control of the stage of the of the stage of the

BBC RADIO 4

Our Time. Aifred Schnittke, Roger Marsh, Hans Werner Henze. 16.25 Chor Works. Alessandro Scarlath. 12.30

8.10 Prelude. 6.30 Morning Has Broken. 7.00 News. 7.10 Sunday Papers 7.15 The Living World. 7.40 Sunday. 8.50 The Week's Good Cause. 9.00 News. 9.10 Sunday Papers. 9.15 Letter from America. 9.30 Morning Service.

10.15 The Archers.

11.15 Mediumwave. 11.40 Four Corners. 1.00 The World This Weekend 2.00 Gardeners' Question Time 9.30 Classuc Serial: (Gdnepped. 3.30 Pick of the Week. 4.15 Analysis. 5.00 Hack on the Cut. 5.30 Poetry Please! 6.00 Six O'Clock News 6.15 Feedback 6.30 Children's Radio 4.

7.30 A Good Read. 8.00 (FM) Scapegosts. 6.00 (LW) Writer's Weekly. 8.30 (FM) Reading Aloud. 8.30 (LW) The French Experience, Booking an hotel. 9.00 (FM) The Natural History 9,15 (LW) Make German Your 9.30 (FM) Costing the Earth.

9.45 (LW) Short Stones in

10.00 Nows.
10.15 Love and Death. With director of the Royal Opera. House, Jeremy Isaacs.
10.45 Eurekel 11.15 in Committee. The activities of MPs. 11.45 Seeds of Faith. 12.00 News. 12.30 Shipping Forecast. 12.43 (LW) As World Service.

12.43 (FM) Close.

9.00 Witchell on Sunday. 12.00 Midday Edition. 12,10 The Big Byte. 1.05 Top Gear. 1.35 On the Line. 2.05 You Cannot Be Serious! 3.05 Sunday Sport. 6.00 .lim and the Doc. 7.00 News Extra. 7.35 The Acad Test. 7.00 in Business. The world of 6.00 The Ultimate Previe 10.05 Special Assignment. 10.35 Crime Desk

WORLD SERVICE

11,00 Night Extra.

From Our Own Correspondent. 7.00 Write On. 0.00 World News. 8.09 Words of Faith. 8.00 Words of Collection. 9.00 World News and Business Review. 9.15 Short Story. 9.30 Folk Routes 9.45 Sports Folk Routes 9.45 Sports Roundup. 10.00 Naws Summary; Solance in Action. 10.30 in Praise of God. 11.00 Newsdesk. 11.30 BBC English. 11.45 News and Press Review **BBC RADIO 5 LIVE** 7.00 The Breaklast Programme.

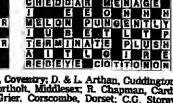
12.00 Test Match Special. 12.30 in Praise of God. 1.00 News Summary; Pop on the Line. 1.45 Wood, Guts and Brass. 2.00 Newsdesk. 2.30 BBC for Europe can be received in western Europe on Medium Wave 648 kHZ (463m) at these times BST: 6.06 News and teatures in German, 6.30 Jazz For The German, 6.30 Jazz For The Asking, 7.00 World News. 7.15 Wood, Guts and Brass. 7.00

Newsdeek, 11,30 BBC English, 11,45 News and Press Review in German, 12,00 News Ind Week. Three Hotels, 1,00 Newshour. 2,00 News Summery, Help, I'm Going To Be A Parent, 2,30 Anything Goes, 3,00 World News, 3,15 Concert Hall, 4,00 World and British News, 4,15 BBC English, 4,30 News and features in German, 5,00 World News, and Business Review, 0,15 BBC English, 8,00 News and features in German, 6,00 World News, 8,10 Words of Faith, 8,15 Printer's Devil, 8,30 Europe Today, 8,00 Newshour, 10,00 World Newe, end ausiness Review, 10,15 Meridian, 10,45 Sports Roundup, 11,00 Newsdeek, 11,30 Help, I'm Going To Be A Parent, 12,00 World and British News, 12,15 I'r Your Business, 12,30 In Press of God, 1,00 Newsdeesk, 12,30

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Peter Aspden

Take a Coke, a glass of Moët, shake well

There was a pleasing symmetry about the news that both Coca-Cola and Moët et Chandon were launching advertising campaigns this month; two world-famous brands, both under threat from arriviste competitors, giving their respective bottles a good shake to spray the opposition away in time for Christmas.

Both drinks stand for fizz, froth and fun, hnt they manage to appeal to opposite instincts in us. Coca-Cola, hitting back at the supermarkets with a £4m television campaign, taps that youthful, clean-living, democratic impulse which we should all, in principle,

like to share: its message is shamehopeful and artfully naive. It is a NOW product, a multi-national beverage for the modern world.

Moët et Chandon, on the other hand, in devising its first-ever British advertising campaign, has no hesitation in harking back to the louche air of fin-de-siècle Paris to promote its appeal, its curvy, Mucha-esque siren giving us the kind of sultry come on which the clueless boys and girls in Cokeland would probably interpret as a touch of flu. Here is wickedness, expense and exclusivity, and democracy be hanged.

lessly romantic, all-embracing, new world versus the old; brash, in-yonr-face Americana meetiog creaking, decadent Europa across the billboards, the latest in an endless series of cultural bonts.

The relationship between America and Europe, and France in particular, is actually more complex than is commonly supposed. One only has to watch the opening frames of Jean-Luc Godard's A Bout de Souffle to appreciate the happy symbiosis that can be achieved between the two cultures: street-styled existentialism and B-movie beefcake combining effortlessly to provide some of the most

paid back by almost oaming the captaio of the new USS Enterprise after the iconoclastic director).

The mntnal exchange of jokes went on: America sent Jerry Lewis to France, where he became a cult bero: the French took revenge hy sending a succession of the most ponderous philosophers of all time to lecture to the brightest-eyed students in the world. Years later, Allan Bloom would write The Closing of the American Mind to attack the consequences of continental thinkers on his country's sensibility, while in Parls, something

It is, of course, the story of the influential images of the 1960s called Euro-Disney appeared to add. Astaire, for goodness sake? new world versus the old; brash, (American pop culture intriguingly spice to all those interminable cafe. What is remarkable, how conversations. Semickevotics or what?

The most magnificent example of Franco-American horseplay is Stanley Donen's romantic comedy Funny Face, in which an avuncular Fred Astaire wins the heart of Audrey Hepburn by dancing rings around a group of earnest philosophers in hooped shirts and bereis. Here was American brashness and intellectual insecurity - in ahundance, but displayed with such good humour and brie that it was difficult to take seriously. Who could declare cultural war on

What is remarkable, however, is

that, even in the trans-global, multi-faceted 1990s, the cultural battle between new and old world continues. Its most obvious manifestation in London in recent weeks has been in the box office skirmish between Quentin Tarantino's Pulo Fiction and Krzysztof Kieslowski's Three Colours: Red, a conflict which began at this year's Cannes Film Festival and at which the American was controversially rewarded with the Paime d'Or.

Here is a classic choice, between the hard-edged, primary-coloured, self-referential savagery of Taran-

ting and Kieślowski's puizzica open-ended musings on relation ships and destiny, the two direc tors possessing in common an immense talent but as divided in their world views as those bottles of fizzy drink. In London, as at Cannes, it is Tarantino who is winning, which I have to say depresses me a little. It is nothing to do with being anti-American, nor feeling censorious about violence; it is just that I have grave suspicious about a calture which so happily ironises; its most conspicuous flaws. In standing up for hitle old Europe I'd like to teach the world to sing a rather different time.

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Private View

The mathematician in his cave

Christian Tyler meets a man whose beliefs about human understanding are causing scientific controversy

mong mathematicians, Sir Roger man. I do not mean he is some snaggletoothed evolutionary throwback - even if certain high priests of brain science would call him that.

He is a caveman because he agrees with Plato, who first used the analogy that human beings are like prisoners in a cave who can see only the shadows of reality thrown on to the wall by the firelight.

For Penrose, mathematical truths are part of reality: not human inventions, but preexisting "forms" whose exis-tence we have to discover.

He has reworked Plato's parable for the prologue of his second book, Shadows of the Mind, which restates and develops the controversial claim of The Emperor's New Mind that human understanding will never be explained in terms of computer-like calcula-

Human consciousness cannot even be simulated by a machine. Furthermore, the sci-entific explanation for consciousness will depend on discovering new laws of physics.

The cave of the Rouse Ball Professor of Mathematics at Oxford University is satisfyhigly chaotic. Papers, books and correspondence crammed the room at the Mathematical Institute, a faded new block on St Giles. Adding to the jumble were old geometric models made of plaster, metal and wire which had been retrieved from some forgotten basement. A box of empty coffee jars and a broken percolator lay on the floor, next to a jigsaw puzzle of special difficulty based on one of Penrose's own geometric brainteasers. Symbols and equations ran riot on the blackboard behind his desk.

Mathematics must be wired into the Penrose family. An older brother, Oliver, has just retired as professor of mathe-matics at Heriot-Watt University, Edinburgh. A younger brother, Jonathan, is a chess grandmaster. A nephew teaches maths at Durham and a son is doing his postdoctorate in the subject.

Penrose, whose special ability is spatial thinking, began constructing polyhedra (many-sided shapes) at the age

of 10, when he regarded maths as a kind of game. "An ability to do maths is not essentially different from ordinary thinking." he said. "Une does it for fun, really. So you have to

enjoy it to do it seriously." Mathematics was discussed round the family dinner table. Penrose's father, a specialist in the inheritance of mental defects, would speculate on whether the brain was some sort of computer. However, he expected his son to become a doctor. "I was actually, secretly, going to be a brain

Another influence was a series of radio broadcasts by

> 'There is a view that a machine can act as though it sees red, feels pain, etc. I'm saying it

Professor Fred Hoyle (leading proponent of the "steady state" theory of the universe). Lunching with his eller brother at Cambridge one day, Penrose impressed Denis Sciama, a cosmologist, by questioning Hoyle's description of disappearing over the horizon of the universe.

"I drew a picture to show it didn't make sense. I think Denis was quite struck by this and later when I went to Cambridge as a graduate student he took me under his wing." As a student at London and Cambridge, Penrose took up, as sidelines, quantum theory, particle physics, general rela-tivity and cosmology.

He also studied mathematical logic, where he encountered Kurt Gödel's revolutionary proof that in any logical system, such as that on which arithmetic is based, there are truths which cannot be derived from the axioms of the system. An interpretation of Gödel's "incomplateness" theorem underpins the controversial claims of Shadows.

Penrose wrote these two "popular" science books partly to convey his own sense of excitement, he says. To call them popular is misleading. however. Most of his supporting evidence is indecipherable to non-mathematicians. Even if the hypothesis is clear, the books are tougher to read than the best-selling Brief History of Time by Stephen Hawking, Penrose's opposite number at Cambridge and former collabo-

rator on Black Holes. The books were to have been a retirement project. Then Pen-rose saw a re-run of a TV programme in which Marvin Minsky and another American pioneer of the "hard" school of artificial intelligence made

"some very extreme remarks". He added: "From their very particular point of view what they said was logical. But I just don't believe it. As an undergraduate I had tried to build up logical systems which would reduce thinking to computation. Even then, in the middle of doing it, I had a suspicion that something was wrong and

this wouldn't work." Most people, I said, had never heard of Gödel but would say it was obvious that consciousness wasn't just computation. Why did you need to

demonstrate it? "It's very curious. You find people on both sides who regard the other point of view as ridiculous. People say Why bother to write the book? But what's not so obvious is that I am saving something stronger: that is, that you can't even simulate this activity.

"There is a view that a machine can act as though it sees red, feels pain, etc. My line is different. I'm saying it can't even act as though it has these qualities. There is some thing in our understanding which you couldn't even imitate...and, stronger still, you couldn't do it with presently known physics

The argument from ohviousness is a good argument, but it doesn't get you anywhere. It doesn't tell you what to do." Briefly, what Penrose tells us to do is look at the "microtubules" in the neurons, or brain cells, for signs of quantum hrain activity which could, with the missing phystranslate into noncomputable consciousness. Are you envious of the com-

modest. They work away in their corners and don't go and shout about things." So you think computer sci-ence is hijacking maths? "I think to some extent it has

People often ask me that

one," Penrose replied. "There

is certainly an element of

pride, I suppose, and not want-ing to be outdone by a mere machine and that sort of thing-

If computers get very good at chess I don't like the idea. But

I'm pretty sure it's more than

that. I don't think it's correct.

hijacked it. There's some interesting stuff, of course, and I don't want to denigrate it. But I don't think it should take over in the public's mind." The pure mathematician is.

of course, a species of philosopher. Whether Penrose's mathematical brilliance carries over to his philosophical reasoning But in subscribing to a Pla-

mathematicians. The concepts. he says, are "out there" in the sense of being independent of our perception of them. Does he mean that they exist like Plato's forms? "Yes, very much so. But I get

mathematical forms as really

such an extraordinary degree in accordance with highly sophisticated mathematics. It makes that mystery even more

"Einstein's theory of general relativity is a wonderful example why that can't he the case. Newton's theory of gravity had

Do mathematicians like you feel left out of the argument? "Certainly I feel there's an awful lot of very hard work. clever work, very important work which is almost totally ignored and dismissed, simply because it's not something that people understand and may not have any immediate value. Mathematicians tend to be

is what his critics question. to air world of ideas, he is certainly not alone, even among

into a lot of trouble on that one. People will often go along with other things I say. But even the most sympathetic I find sometimes baulk at taking "The trouble is, if you don't

take them as existing in some sense then the other mysteries become even more mysterious. The physical world behaves to puzzling if the mathematics somehow isn't there, if it's our

been around for years and "Sometimes people call me Einstein didn't need to produce that. Labels are things which a new theory for which there people put on me. Pythagorean was anyway not much evimystic? I hate to use the word mystic. But I certainly have been called Pythagorean rather.

than Platonic as someone who

believes in mathematics under-

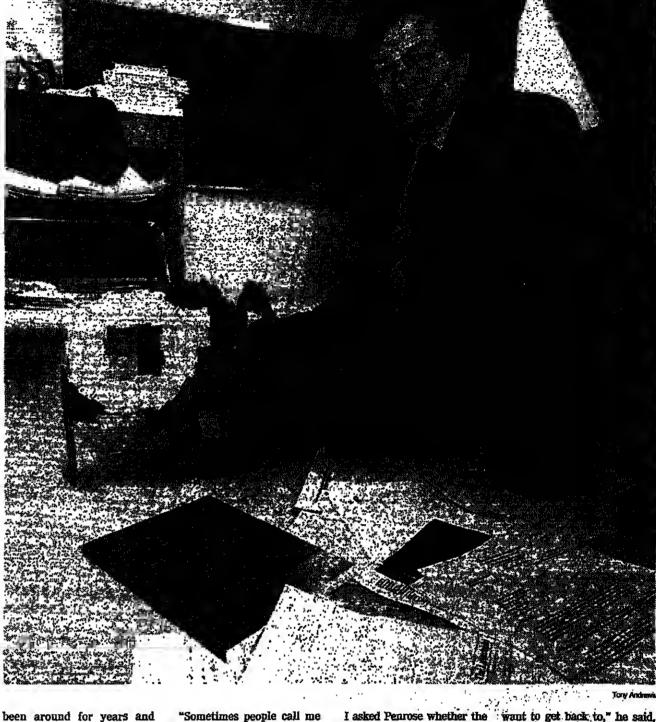
lying everything."

"But now it's become the most accurate theory known to science. And it was there all the time! It's not that somehow we've imposed our thinking on the way that space is constructed. It's out there." Then why don't you just say

dence at the time.

that souls exist, too, and do our thinking? "Well, I suppose one can say things like that. Certainly if

one uses 'soul' to describe a person's consciousness I have no objection to that. It's just a word I tend not to like to use because it has unfortunate connotations. I suppose 1 don't find it very helpful." Are you really a Pythago-



want to get back to," he said, controversy excited by his "although the question of the missing physics is something I want to think about more seriously. In a certain sense I regard all these other things as distractions from my work. But they're interesting distractions."

As They Say in Europe/James Morgan

Mafia sets example on crime

press one would hardly have known ence on crime was taking place in Naples for most of last week. Only the speech by Italy's prime minister, Silvio Berlusconi, which came just as it was announced that he was being investigated for corruption, aroused a vicarious flicker of interest.

In Brussels the conference was front page news. La Libre Belgique shouted: "Organised crime finds who it is talking to." That was followed by a story about the Belgian justice minister, Melchior Wachelet, who made what the paper saw as a hard-hitting eech on the "complementar lty of global and regional approaches" to crime busting.

The story alongside gave the game away: "Drugs and Holland pinpointed in CTIF report." The CTIF is a Belgian government unit for cracking down on money laundering. The report said BFr21bn had been identified as part of such operations. But only three per cent of that sum had been

The other hig Brussels daily, Le Soir, was equally excited: "Belgium arms itself against organised crime." Again it gave pride of place to the concept of a regional strategy.

It would, unfortunately, be

misleading to say that all Bel-

gium is girding its loins in the everlasting struggle against delinquency and the Dutch. In Flanders, priorities were different. Het Gazet van Antwerpen led on "The warmest November of all time". As always with this paper, its stories are hard to check, like another front page item, lifted from London's The Times. This concerned an impending invasion of plastic

ducks threatening England

because a container ship had

shed its cargo in the North Pacific two years ago. Het Gazet lives in some curious make-believe world, halfway between Tolkien and Breughel, but without the crime. That may account for the curious news-from-nowhere quality of whatever emerges from Flanders.

in Naples, Pierre Méhaignerie. the French justice minister, added his voice to the call for "the greatest international co-operation" in fighting

> He also focused on what he called "fiscal paradises", arguing that offshore banking centres should be tackled with as much vigour as the international community had applied to the supporters of international terrorism. The French do not like

unregulated business activity and the threat should be taken seriously. After all, in 1985, New Zealand got the rough end of the French stick when government assassins arrived from Paris to hlow up the Rainbow Warrior. Then It was Iraq that was clobbered and now, apparently, it will be Guernsey. In highlighting crime blackspots of the world, the Italian paper La Stampa also singled out the Channel

Islands, rather than Naples. Everybody finds someone else to hlame for crime. The Belgians have to protect themselves against the Dutch.

The Russians pointed out that their supposed crime wave was merely the creation of a "cold war style" propaganda campaign designed to hold up their country's development. The choice of Naples as the

site of a conference on crime was intriguing. The Frankfurter Allgemeinc Zeitung dealt with the puzzle - at considerable length, inevitably. It stressed the "high expectations of the population".

The Neapolitans had greatly

enjoyed the G7 Summit there in July, for during that period there had been no litter on the streets until eight in the evening. It has become a kind of golden age in the Neapolitan popular imagination.

There are many reasons to believe that a city like Naples was the right choice for any such conference. So long as the camorra is squared beforehand, it can guarantee security far more reliably than the police. After all, a car can be parked in perfect safety with the key in the ignition by a gnest at a mafia wedding.

And anybody who attended

the G7 Summit in Naples

knows how the highest moral standards were assured. A large number of young en of outstanding physical attributes were in attendance. But even the rougher end of the journalistic corps kept its distance once officials announced that these were the daughters of the leading local godfathers.

But unfortunately the crime wave was spreading to the most unlikely places even as the crime fighters met. As someone who has lived at different times in Vienna, I had thought that traffic rules there were inviolable: one was physically restrained from crossing an empty street by other pedestrians when the lights were green.

But research, according to Der Standard, has now shown that drivers jump one red light in 10. That means two million cars cross on yellow Almost like a Mediterra-

■ James Morgan is economics correspondent of the BBC

nean city, said the paper.

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books was drawing him away.

from his chief activity, which

is mathematical physics - spe-

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tor theory which he has

"I have other things I really

worked on for 30 years.

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